



Daily Report

China

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Daily Report

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General

Foreign Ministry Holds Weekly News Briefing

Li Peng Advised To Recuperate 'Longer'

HK2406102093 Hong Kong AFP in English 0935 GMT
24 Jun 93

[Text] Beijing, June 24 (AFP)—Doctors have advised Premier Li Peng to continue recuperating, officials said Thursday [24 June] as the Chinese leader cut short talks with his Australian counterpart Paul Keating amid new concerns about his health. "Premier Li Peng has recovered very well, but his doctor advises him to take a longer recuperation period," Foreign Ministry spokeswoman Fan Huijuan told reporters at a regular press briefing.

Talks between Li and Keating in the Great Hall of the People Thursday morning began late and ended 20 minutes early, Australian sources said, but added Li was nevertheless expected to host a banquet for his guest Thursday evening. The 65-year-old premier, smiling and waving to the press, betrayed no obvious signs of discomfort during Keating's welcoming ceremony despite renewed reports of ill-health.

This was the first time Li had been seen in public since his reappearance from a seven-week absence on June 14 to greet Malaysian Prime Minister Mahathir Mohamed. On that occasion, Li was pale and appeared to have lost weight but seemed to be in reasonable health. The Chinese government initially attributed Li's long absence to a bad cold, but officials have said privately he suffered a heart attack. Western diplomats based here said he had been the victim of a stroke.

Several Hong Kong newspapers said this week Li was ill again. They said he had offered to resign because of his health problems but added he was expected to remain in his post this year in order not to rock China's fragile political and social stability.

Welcoming ceremonies for foreign heads of state or government are usually held near the Great Hall of the People in Tiananmen Square, but those for Mahathir and Keating took place within the building.

Li and Keating, who arrived Wednesday evening for a four-day visit to China, focused on economic issues during their talks, the Australian sources said, adding they had touched briefly on human rights. Keating reminded Li his country maintained its interest in this issue and reiterated Canberra's invitation for a Chinese human rights delegation to visit Australia, they said. Keating is to meet Chinese President Jiang Zemin and Vice Premier Zhu Rongji Friday before leaving for Shanghai.

Demands U.S. Drop Democracy Radio Plan

OW2406083293 Beijing XINHUA in English 0818
GMT 24 Jun 93

[Text] Beijing, June 24 (XINHUA)—China has demanded that the United States withdraw its plan to set up the Asian Democracy Radio, a Chinese Foreign Ministry spokeswoman said here today.

"The real purpose of the U.S. Government in setting up this radio is to interfere in the internal affairs of China and other Asian countries, and create confusion through news media," said spokeswoman Fan Huijuan at a weekly press conference when asked to comment on the plan announced by the U.S. Government on June 15.

Fan said that the affairs of Asian countries should be handled by their own people.

When the setting up of this radio was under consideration, China and many other Asian countries voiced their strong opposition to it, Fan said.

"By taking this action, the United States has trampled upon the universally acknowledged norms governing international relations and violated the basic principles laid down in the three joint communiques between China and the United States," Fan said.

"We have made stern representations to the U.S. Government and demanded that the U.S. side withdraw its plan to set up the Asian Democracy Radio," Fan said.

'Stern Representations' Made to U.S.

OW2406143493 Beijing XINHUA Domestic Service in Chinese 1152 GMT 24 Jun 93

[Excerpt] Beijing, 24 Jun (XINHUA)—[Passage omitted] Commenting on a plan to set up "Asian Democracy Radio" announced by the U.S. Government on 15 June, [Foreign Ministry spokeswoman] Fan Huijuan said the real purpose of the U.S. Government in setting up this radio is to interfere in [gan she 1626 3195] the internal affairs of China and other Asian countries, and to create confusion [hun luan 3236 0052] by using the news media. The affairs of Asian countries should be handled by their own people. When the setting up of this radio was under consideration, China and many other Asian countries voiced their strong opposition [qiang lie fan dui 1730 3525 0646 1417] to it. By taking this action, the United States has trampled upon [jian ta 6432 6431] the universally acknowledged norms governing international relations and violated the basic principles laid down in the three joint communiques between China and the United States.

She said: "We have made stern representations [yan zheng jiao she 0917 2973 0074 3195] to the U.S. Government and demanded [yao qiu 6008 3061] that the U.S. side withdraw [qu xiao 0648 3194] its plan to set up Asian Democracy Radio." [passage omitted]

'Notice' Taken of Pope's Desire To Visit*HK2406115993 Hong Kong AFP in English 1151 GMT
24 June 93*

[Text] Beijing, June 24 (AFP)—A desire expressed by Pope John Paul II just days ago to visit China as soon as possible has apparently troubled communist Beijing. At a weekly press conference Thursday, China's Foreign Ministry spokesman Fan Huijuan said: "We have taken notice of this news. China's policy towards the Vatican is consistent and clear."

The pope said last Saturday he wished to visit China as soon as possible. He made the comment while visiting the central Italian city of Macerata, birthplace of Italian Jesuit Matteo Ricci, who lived in China in the 16th century. The pontiff had already said he wanted to go to China but had not reiterated his wish since Beijing's bloody military crackdown on pro-democracy activists in June 1989. His latest request appears troubling to Chinese authorities, who cannot openly refuse the pope, especially in view of Beijing's aggressive bid to host the Olympic Games in the year 2000.

However, politics prevent China from agreeing to a papal visit. China and the Vatican broke off diplomatic relations in 1957. Beijing founded a "patriotic church" with a clergy [word as received] of some three million people. Rome does not recognise the church.

However, a clandestine Catholic church also exists in China and also has a clergy [word as received] of some three million people. The church is supported by the Vatican and human rights organisations say members of the church are regularly persecuted by Chinese authorities.

Authorities have freed some elderly priests in recent months, but imprisoned many other priests and lay members faithful to Rome, according to human rights organisations.

Comments on IMF Human Rights Statement*GW2406092493 Beijing XINHUA in English 0911
GMT 24 Jun 93*

[Text] Beijing, June 24 (XINHUA)—China and many other developing countries hold that only when the economies of the developing countries are continuously developed, can their people enjoy the human rights.

Chinese Foreign Ministry Spokeswoman Fan Huijuan made the remarks here this afternoon at a weekly press conference when asked to comment on the statement made by some representatives from the International Monetary Fund (IMF) at the current World Conference of Human Rights.

The representatives were quoted by a report as saying that if the violation of the human rights in certain countries affected their economic development, then the IMF will stop its economic assistance to them.

Fan said that it is the task of top priority for the international community to take actions to help the developing countries to alleviate economic difficulties and do something concrete to eliminate the hunger among their people instead of imposing the standards and models on human rights by some countries on all the other countries in the world.

"If these (standards and models) are taken as conditions to provide economic assistance or conduct international cooperation, it will be neither realistic nor conducive to the promotion and improvement of the human rights," she said.

'Progress' Seen at Sino-UK Talks*OW2406103593 Beijing XINHUA in English 1025
GMT 24 Jun 93*

[Text] Beijing, June 24 (XINHUA)—A Chinese Foreign Ministry spokeswoman today expressed the hope that the Sino-British talks will produce positive results at an earlier date, but she said that it does not depend on the Chinese side alone.

Spokeswoman Fan Huijuan made the remarks this afternoon at a weekly press conference in reply to reporters' questions about the talks.

Concerning the meeting of the Sino-British Liaison Group which had just concluded in Hong Kong, she said that the two sides discussed a lot of subjects, and progress was made at the meeting.

She noted that the Sino-British talks on the arrangement for the 1994/95 election in Hong Kong is under way, and the Chinese side has sincerity towards the talks.

"We hope the talks will produce positive results at an earlier date on the basis of the three principles that had been reached by the two sides, but this does not solely depend on the Chinese side," she said.

In answering another question, Fan said that so long as the two sides truly have the sincerity and take concrete actions, she is convinced that the talks will achieve positive results.

As for why the foreign ministers of China and Britain have not held their regular meetings semi-annually as stipulated in the Sino-British Memorandum of Understanding on the construction of the new Hong Kong airport, the spokeswoman said that will be decided by the two sides through consultations.

Urges UN, World Role in Cambodia*OW2406084393 Beijing XINHUA in English 0833
GMT 24 Jun 93*

[Text] Beijing, June 24 (XINHUA)—China holds that the United Nations and the international community should play a positive role in promoting and completing

the peace process in Cambodia during its transitional period according to the spirit and principles of the Paris agreements.

This was announced here today by Chinese Foreign Ministry spokeswoman Fan Huijuan at a weekly press conference when asked to comment on a statement made by the Association of the Southeast Asian Nations to urge the United Nations and international community to continue their role in Cambodia.

Hails Forthcoming OAU Summit Meeting

OW2406082493 Beijing XINHUA in English 0816 GMT 24 Jun 93

[Text] Beijing, June 24 (XINHUA)—China wishes the coming session of the summit meeting of the Organization of African Unity (OAU) to make new contributions to peace, stability and economic development in Africa.

The wishes were expressed by a Chinese Foreign Ministry spokeswoman at a weekly press conference. She was asked to comment on the summit meeting to be held in Cairo June 28.

The spokeswoman said the 30-year-old OAU is playing a significant role on the African Continent as well as in world affairs.

Therefore, OAU is widely praised by African countries and the rest of the international community, she said.

The African countries attach great importance to the 29th session of the summit meeting, and it was reported that over 30 heads of state and government have expressed their intention to attend, she noted, adding that the meeting will consider such major questions as implementing the treaty on African Economic Community, setting up African security mechanism and the situation in South Africa.

"We hope that this meeting will make fresh contributions to peace, stability and economic development in Africa," she said.

Reporting on Vienna Human Rights Meeting Continues

Envoy Addresses Conference

OW2306132593 Beijing XINHUA in English 1256 GMT 23 Jun 93

[Text] Vienna, June 23 (XINHUA)—A Chinese representative said that regional and national characteristics must be recognized in the discussion of human rights standards.

It is quite natural for various countries to have different understandings on ways and means to promote human rights, said the Chinese representative, Chen Shiqiu, at the main committee of the UN World Conference on Human Rights here.

"We live in a colorful world, with different historical, cultural and religious backgrounds, different political, economic and social systems and different levels of economic development," said Chen.

The Chinese representative added that it was completely justifiable for developing countries to attach special emphasis to the implementation of the right to development and place it as a priority.

He said that the UN efforts to promote human rights and fundamental freedom should be based on the principle that all countries, big or small, rich or poor, strong or weak, are equal, no matter what political, economic and social systems they choose to adopt.

"To our regret, however, there still exist in the field of human rights practices of selectivity and double standards instead of a fair and objective attitude," he said.

Chen said it would be necessary to rationalize UN human rights mechanisms and emphasize their priorities, make a clear division of labor, and avoid duplication of work in order to enhance their efficiency.

In view of the present serious duplications of mandates and work in the UN human rights bodies, he urged caution in the establishment of new mechanisms such as a UN high commissioner for human rights.

At present, he said, different countries hold different opinions on this problem and there is a need for the full exchange of views.

"We are not in favor of the establishment of such new mechanisms in a haste when conditions are not ripe," Chen said.

He said that the ending of the Cold War did not bring true peace and stability to the globe.

On the contrary, national extremism, xenophobia and new Nazism appear in many parts of the world, giving rise to violence, bloodshed and military conflicts, he said.

Chen said that there still exist massive violations of human rights caused by racism, racial discrimination, racial segregation, aggression against aliens and foreign occupation.

The UN should establish these problems as a priority and take measures to put an end to them, he said.

The main committee of the human rights conference is discussing recommendations today for enhancing the effectiveness of UN activities and mechanisms.

Further on Remarks

OW2406031693 Beijing XINHUA Domestic Service in Chinese 1452 GMT 23 Jun 93

[By reporter Yang Huanqin (2799 3562 0530)]

[Text] Vienna, 23 Jun (XINHUA)—Chen Shiqu, Chinese deputy representative to the World Conference on Human Rights, on 23 June spoke to the main committee of the UN World Conference on Human Rights. He explained the Chinese Government's views toward the guiding principle for UN activities on human rights, standards for human rights, and the establishment of a new organization for human rights, along with its main tasks.

Chen Shiqu said: "The guiding principle for UN activities on human rights should be in line with the goal and principle of the 'UN Charter.'" In order to universally promote human rights and basic freedoms, the international community must follow the principle that all countries, big or small, rich or poor, and strong or weak must respect each other, treat each other on an equal basis regardless of their political, economic or social systems, enhance mutual understanding, exchange experiences, and learn from each other's strong points to offset weaknesses and make up for each other's deficiencies.

He emphatically pointed out: To our regret, however, there still exist in the field of human rights the practices of selectivity and double standards, instead of a fair and objective attitude. He said: Some countries "paid no attention to the question of human rights in their own countries, but instead talked a lot about this or that concerning the human rights situation in other countries, and claimed that they would link the human rights situation with economic aid and trade in an attempt to force other countries to accept their value concepts with their economic strength in order to interfere with the internal affairs of other countries—under the guise of protecting human rights."

On the question of human rights standards, Chen Shiqu said: "The 'UN Charter' and the 'World Human Rights Declaration' have affirmed the basic principles of protecting human rights and basic freedoms. However, history, culture, and religious backgrounds in various countries and regions, as well as the political, economic and social systems of various countries and regions, are all different. In addition, economic development is also different in various countries and regions. Therefore, various countries have different understandings concerning ways and means for promoting human rights. To the large number of developing countries, the most urgent thing is to develop their economy on the basis of social stability and to raise the people's living standards. Therefore, it is completely right and justifiable for developing countries to attach special emphasis to the implementation of the right to development and to make it a priority.

Touching on the establishment of a new UN human rights body and its main tasks, Chen Shiqu said: "In order to fulfill the goals and principles of promoting and protecting human rights, as stipulated in the 'Charter of the United Nations,' it is necessary to rationalize UN human rights' mechanisms and assign priorities to them,

divide this work clearly, and avoid duplication of effort so as to enhance the efficiency of these mechanisms." He held that at present the duties of UN human rights bodies are unclear, and that there are situations where efforts are duplicated. Under such circumstances, China is not in favor of the hasty establishment of such new mechanisms as a UN high commissioner for human rights, when conditions for these mechanisms are not ripe.

Chen Shiqu emphatically pointed out: "The ending of the Cold War has not brought true peace and stability to the globe." On the contrary, national extremism, xenophobia and new Nazism appear in many parts of the world, even giving right to violence, bloodshed and military conflicts. There are still massive and brutal [cu bao 4723 2552] violations of human rights caused by racism, racial discrimination, foreign aggression, and foreign occupation. Therefore, the UN human rights body should continue to observe related resolutions and stipulations of the United Nations General Assembly, and give priority to examining the above-mentioned problems, adopting appropriate measures to solve them.

Representative Speaks on Rights

OW2406044993 Beijing XINHUA Domestic Service in Chinese 1446 GMT 23 Jun 93

[By reporter Yang Huanqin (2799 3562 0530)]

[Text] Vienna, Jun 23 (XINHUA)—Addressing the main committee of the U.N. World Conference on Human Rights here today, Li Yuanchao, member of a Chinese nongovernmental delegation, stressed that the most important task in promoting human rights in the world is to allow, through hard work, all countries, regions, and people the right to development in an equitable way.

Li Yuanchao said: For the large number of developing countries, the most pressing human rights issue is still the attainment of the right to live better and develop more equitably. However, the current international economic order is extremely detrimental to people in the developing countries in their drive to accomplish the goal of economic, social, and cultural development, and it is causing a huge gap characterized by the phenomena of "the rich getting richer, and the poor getting poorer." In the field of human rights, the United Nations should pay more attention and take more action to eliminate poverty—a human rights goal for the great majority of people in the world.

Li Yuanchao pointed out: "War is another root cause jeopardizing human rights in the contemporary world." Under the circumstances when peace is disrupted and human lives are threatened, the citizens' political, economic, social, and cultural rights will become empty words. Therefore, another pressing task in the field of promoting international human rights is to respect other countries' sovereignty, refrain from the use of force,

oppose foreign occupation, safeguard peaceful coexistence among countries, oppose racial discrimination, oppose the instigation of hatred and hostility between different ethnic groups, safeguard harmonious existence between different nationalities, and do everything possible to eliminate the cause of domestic strife and international conflicts to create a peaceful world.

Regarding the issue of human rights principles, Li Yuanchao said: "Enabling everyone in the world to fully enjoy human rights is our common ideal and universal goal." However, some big countries which frequently lecture others as if they represent the universal human rights principles have failed to provide a social model satisfactory to the people. In their countries they have serious racial discrimination, crime, drug abuse, a wide gap between the rich and the poor, unemployment, sexual harassment against women, and a disregard for children's rights—they even refuse to join the UN-sponsored convention banning cruel punishment, eliminating discrimination against women, and protecting children's rights. Li Yuanchao said: "What else can they create other than social chaos if they apply this model to developing countries?"

In light of this, Li Yuanchao pointed out: "Every country, under the protection of U.N. Charter and guided by the universal goal and principle of promoting human rights, can only let its people select a model for promoting human rights according to their own wishes and in light of their own historical, economic, political, and cultural conditions."

Split on Tribunal, Commissioner Noted

OW2406030293 Beijing XINHUA in English 0116
GMT 24 Jun 93

[Text] Vienna, June 23 (XINHUA)—The World Human Rights Conference now taking place here is unlikely to approve either the setting up of a tribunal or appointing a high commissioner, its chairman, Austrian Foreign Minister Alois Mock, told a press conference today.

Mock said a compromise proposal for the final document, indicating no decision at the current conference, by Britain, Iran and Mexico suggested that the "highest priority" be given in the future to the establishment of an international human rights tribunal.

On the possibility of appointing a high commissioner, Mock said he or she would have to have a strong mandate so as to be able to work effectively. But if the conference could not agree on whether the commissioner would be entitled to report to the United Nations Security Council, it would be better to discuss the question further.

Western nations have urged that the Vienna meeting approve the tribunal and commissioner. But developing countries have said that the conditions are not ripe and further discussions on the two issues were needed.

At another press meeting, the spokesman for the 52-member Islamic Conference Organization, Agha Shahi of Pakistan, told reporters that it would present a special draft declaration on Bosnia-Herzegovina to the plenary session here for voting.

He said that the Islamic countries wanted the conference to adopt a resolution calling for an end to the U.N. arms embargo against the Bosnian Muslims.

But John Shattuck of the U.S. delegation said that although the United States was in favor of lifting the embargo, the conference was not entitled to deal with the issue.

He expressed the fear that the final document of the conference could be delayed because of this problem.

Bosnia Looms as Crisis Point

OW2406111093 Beijing XINHUA in English 0910
GMT 24 Jun 93

[Text] Vienna, June 24 (XINHUA)—The plenary session of the World Human Rights Conference today is expected to be dominated by a clash of wills between the United States and the Organization of Islamic Countries (OIC) over pressures for the conference to issue a special declaration on Bosnia-Herzegovina.

Agha Shani of Pakistan, chairman of the OIC, yesterday reiterated his call for United Nations member countries to back the declaration, if necessary by a simple show of hands.

He told a press conference here that the OIC would present the draft declaration on Bosnia-Herzegovina to the plenary session today.

The draft calls for the lifting of the U.N. arms embargo and a condemnation of "ethnic cleansing," a return to the Vance-Owen Plan, and a rejection of the Serb-Croat plan for partition.

But the United States said that the issue was outside the mandate of this conference and last night expressed its concern at suggestions for a vote.

"This is an issue that ... puts (delegates) in the position of building a hierarchy of human rights catastrophes," said John Shattuck, U.S. assistant secretary of state for human rights.

Singling out Bosnia would violate the conference rule banning reference to countries by name, he said.

While the United States and the OIC are clashing over the Bosnia issue, African countries have demanded that Angola must also receive a special mention if Islamic states win their right to have a separate statement on Bosnia.

"If a special declaration on Bosnia is accepted, we will have to have one too," said an African diplomat.

Meanwhile, the drafting committee of the conference has made some progress in working out the final document, which consists of a preamble, a section addressing principles of human rights and a section mapping out concrete proposals for action.

Informed sources said here today that most of the part concerning principles has been adopted in the committee working group.

What remains is the part on proposals for action, they said.

Disagreements on how to monitor progress in the right to development affirmed in the part of principles led to the working group returning the problem to the main drafting committee.

So far, the drafters have not made progress on whether the conference should create an international human rights tribunal and a post of high commissioner for human rights.

Correction to Item Citing Singapore Minister

HK2306074593

The following correction pertains to the item subheaded "Singapore Foreign Minister Cited," published in the General International Affairs section of the 22 June China DAILY REPORT, page 2:

Column one, first paragraph of item, first sentence, make read: ...[Text] Vienna, 18 Jun (RENMIN RIBAO)—The concept of human.... (supplying dateline)

Column two, first paragraph of column, third sentence, make read: ...anti-narcotics officials, and immigration bureau officials in Singapore have the right.... (changing "customs" to "immigration bureau")

Environment, Development Meeting Delegate Speaks

OW2306233293 Beijing XINHUA in English 2226
GMT 23 Jun 93

[Text] United Nations, June 23 (XINHUA)—China has made great efforts in taking follow-up actions after the U.N. Conference on Environment and Development held in Rio de Janeiro a year ago, head of a Chinese delegation said here today.

Ambassador Li Zhaoxing, head of the Chinese delegation to the first substantive session of the U.N. Commission on Sustainable Development, told the on-going session that since the Rio Conference the Chinese Government has further strengthened its work for environmental protection with a strong sense of responsibility for this and future generations.

The Chinese Government, in line with the actual conditions of China and in accordance with Agenda 21 adopted at the Rio Conference, promulgated on September 16, 1992 a ten-point strategy on environment

and development, which contains the guiding principles for the integration of environmental protection and economic development.

The Chinese Government has also worked out a draft for China's Agenda 21, which covers over 180 program areas and defines objectives and plans of action.

In last November, China's legislative body formally ratified the U.N. framework Convention on Climate Change and the Convention on Biodiversity, and the instruments of ratification were submitted to the U.N. secretary-general on May 5. The Chinese Government is formulating concrete measures to coordinate and insure the implementation of the obligations China undertakes under the two conventions, Ambassador Li said.

Last year, China planted 870,000 hectares of trees and the government allocated 11.8 billion yuan as direct investment for industrial pollution treatment despite a serious shortage of financial resources.

Meanwhile, China is continuing its efforts of family planning so as to stabilize the growth of population and alleviate demographic pressures on environment, the ambassador said.

"As early as over 2,000 years ago, the Chinese people conceived a simple and rustic version of the concept of sustainability," Ambassador Li said, quoting an ancient Chinese essay which says "in spring, we hold our ax to foster the growth of trees and grass. In summer, we hold our net not to hurt the young fish."

"We in China have now developed an even deeper understanding of our responsibilities and the important role we can play in protecting global ecological environment," the ambassador said.

Greater UN Role Urged

OW2406001793 Beijing XINHUA in English 2317
GMT 23 Jun 93

[Text] United Nations, June 23 (XINHUA)—China today urged the U.N. Commission on Sustainable Development to play an active and effective role in mobilizing various forces to implement Earth Summit decisions.

Addressing the first substantive session of the Commission, head of the Chinese delegation Ambassador Li Zhaoxing noted that over the past year, the international community and the relevant international organizations have done a great deal of work to implement various resolutions adopted at the U.N. Conference on Environment and Development, also known as the Earth Summit, held last June in Rio de Janeiro, Brazil.

But "what has been done falls far short of the requirements of the effective implementation of the agreement reached at the Rio Conference," Ambassador Li said.

The unfavorable international economic environment that seriously impedes the efforts of developing countries for economic growth and environmental protection

is yet to be improved, and developing countries are still under the enormous pressure of debt, poverty, and worsening terms of trade.

"On such important questions as financial resources and technology transfer, which are essential for global cooperation in environment and development, the consensus reached at the Rio Conference needs to be implemented and the commitments undertaken by developed countries in this regard need to be translated into real actions," Li said.

The ambassador expressed China's views on the work of the Commission:

First, the Commission must observe the guiding principles established at the Rio Conference for International Environment and Development Cooperation. It should construe and implement the agreements reached at the Rio Conference in their entirety. The review of the implementation of Agenda 21 by the Commission should be carried out under the guidance of the basic principles embodied in Rio Declaration. The Commission should also be action-oriented and aim for practical results in promoting international cooperation.

Second, the Commission should adhere to the principle of integrating environment and development. The Commission should not only review questions in various environmental sectors, but also pay attention to cross-sectoral issues and especially to such issues as the unfavorable international economic environment, financial resources and technology transfer that seriously constrain developing countries to protect their own environments and effectively participate in the international environmental protection cooperation.

As for information exchange, the ambassador said, efforts should be made to identify how the international community can better support in particular developing countries in preparing the provision of information, and the consideration by the Commission of the information provided by governments and the organization by the secretariat of such information should be based on the respect for state sovereignty and different national conditions.

World Bank Approves Loan on Environment

OW2306212893 Beijing XINHUA in English 2042
GMT 23 Jun 93

[Text] Washington, June 23 (XINHUA)—The World Bank said today it had approved a credit of 50 million U.S. dollars to help China's environmental clean-up.

The loan, part of the 76 million dollars project, will be financed by the International Development Association, a World Bank affiliate for concessionary lending.

It will be used to strengthen two of China's most important national environmental organizations and to support a number of projects on industrial pollution, the bank said.

The two organizations are the National Environmental Protection Agency, regulating environment policies and standards, and the Chinese Academy of Sciences, which oversees a national ecological research network.

China's industrial growth and population place increasing pressure on environment, the bank said, adding that in recent years, its environmental pollution has worsened.

This is the bank's first technical assistance project in China focusing on environment, indicating the lending agency is more involved in environment, the bank said.

\$140 Million in Contracts Signed at Qingdao Trade Fair

SK2406041893 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 23 Jun 93

[Text] The leading group of the 1993 economic and trade talks of China in Qingdao sponsored a report meeting of responsible personnel from 47 delegations and teams at the talks on the afternoon of 23 June. Provincial leaders, including Li Chunting and Song Fatang, heard the reports and made speeches at the forum.

As of 22 June, the economic and trade talks signed 665 contracts that involve \$140 million. Of these contracts, most of them are the projects of establishing three types of foreign-funded enterprises. The number of joint-venture and cooperative projects signed in the agreements with foreign businessmen or firms reached 811, involving \$1.21 billion. The delegations that have signed the agreements involving more than 100 million yuan are from the cities of Qingdao, Yantai, Jinan, Weifang, and Jining. The number of large projects involving more than \$10 million, which had been signed in the agreements with Hong Kong, Taiwan, the ROK, the United States, and Singapore, reached 36. All talks on foreign trade, exports, and joint-venture and cooperative projects have entered the period of upsurge.

In addressing the forum, Vice Governor Song Fatang said: The momentum of the economic and trade talks in Qingdao this year is very good. Delegations from various prefectures and cities should pay attention in the next period to seizing up key customers, key units, and key projects. They should adopt every possible way and means to promote the progress of fulfilling the targets. Meanwhile, efforts should be made to enhance the integration between industry and trade and to do a good job in acting on behalf of someone in exports.

After hearing the reports Li Chunting, deputy secretary of the provincial party committee and vice governor of the province, delivered a speech in which he said: The province's general orientation in economic and trade activities this year is to have the activities be carried out in all directions and on a large scale. The province's situation in these activities is gratifying. However, what we have to do at present is to master the method of utilizing foreign capital, to refrain from being greedy for

business, and to stress practical benefits. In utilizing foreign capital, we should pay attention to the signing of contracts on the one hand and to the enforcement of projects on the other hand. We should adopt every possible way and means to broaden the field of funds. In conducting foreign trade, we should avoid localism and take the whole success of the province into consideration. All localities should trust and cooperate with one another in this regard as well as fight in coordination so as to mutually fulfill the fixed targets. In conducting foreign trade and exports, we should extensively open the sources of goods. Various industrial and trade companies as well as various prefectures and cities should adopt effective measures to earnestly and successfully deal with the problems relating to the channels of goods sources.

Li Chunting said: We should emphatically seize up the productive projects signed in the agreements on utilizing foreign capital and grasp the work of building technical facilities and introducing auxiliary equipment. Efforts should be made to conduct the transition from rough machining to medium and intensive processing and to fully utilize the introduced funds and technologies to turn the province's natural resources into wealth.

'News Analysis' Views EC Summit, Discussions

OW2306213993 Beijing XINHUA in English 1550
GMT 23 Jun 93

["News Analysis" feature]

[Text] Copenhagen, June 23 (XINHUA)—The European Community summit, held here June 21 and 22, sought to cast off the political and economic instabilities now plaguing Europe and restore confidence in the integration of E.C.

The summit, focusing on Europe's economic growth and security, marks the beginning of the continent's new recovery, said Danish Prime Minister Poul Nyrup Rasmussen, whose country chairs the E.C. until the end of June.

The discussions were centered around the creation of more jobs in the E.C. countries. The present jobless figure in the community exceeds 17 million.

Short-term measures agreed to include cutting interest rates, adding 3.6 billion U.S. dollars in investments for infrastructure and small and middle enterprises and offering governmental subsidies for these enterprises.

As middle-term measures, the E.C. commission had proposed to accelerate the process of economic and monetary unions, to act to bring to a successful conclusion the Uruguay Round of talks under the General Agreement on Tariffs and Trade, and to further finance scientific research.

However, leaders at the summit did not agree to these middle-term measures, but instructed the commission to

perfect a strategy aimed at keeping investments growing and tapping the potential for a single market. The strategy is to be discussed at the next E.C. summit in six months.

On the security of Europe, the 12 leaders decided to send additional peacekeeping forces in the near future to Bosnia-Herzegovina and provide necessary financial support for them.

The E.C. countries will take part in the protection of Muslim security zones in Bosnia-Herzegovina in accordance with United Nations Security Council Resolution 836.

It was agreed that Sweden, Norway, Finland and Austria should join E.C. before 1995 and that long-term goals would be the admission of six central and Eastern European countries and the signing of a free-trade deal with Russia.

Although E.C.'s efforts to increase investments are expected to play a positive role in reversing the downward trend of its economic development, the short-term measures agreed to at this summit are mostly restatements of proposals adopted at the E.C. Edinburgh summit last December, and the middle-term measures are no more than declarations of intentions.

E.C.'s decision to send troops to Bosnia, the first joint military action it has authorized since the Yugoslavia conflict broke out more than a year ago, was taken only after the Vance-Owen peace plan had been rejected and the Bosnian situation deteriorated.

So whether or not the Copenhagen summit actually has restored the confidence of the citizens in E.C. nations remains to be determined.

United States & Canada

New Envoy Presents Credentials to Clinton

OW2406033593 Beijing XINHUA in English 0230
GMT 24 Jun 93

[Text] Washington, June 23 (XINHUA)—New Chinese Ambassador to the United States Li Daoyu presented his credentials to President Bill Clinton at the White House today.

Greeting the new Chinese envoy, Clinton said China is an important country and he pays great attention to U.S.-China relations.

He also said he vigorously supported the establishment of diplomatic relations between the two countries many years ago and admires the significant changes taking place in China.

Clinton expressed his hope that U.S.-China relations will continue to be improved through dialogue.

Li Daoyu arrived here on April 8.

Olympic Committee Head Criticizes U.S. 'Interfering'

*OW2306161793 Beijing XINHUA in English 1558
GMT 23 Jun 93*

[Text] Lausanne, Switzerland, June 23 (XINHUA)—The Chinese Olympic Committee President He Zhenliang accused the U.S. House Human Rights Subcommittee of trampling upon Olympic principles and interfering with the right of the International Olympic Committee here Wednesday [23 June] at a news conference.

He, an IOC vice president and an executive vice president of Beijing 2000 Olympic Bid Committee, said that the U.S. interference against Beijing's bid to host the 2000 Olympics "represents an attack on Olympic principles and is unacceptable."

"Let sportsmen decide sports affairs, not interference by politicians," he stressed.

He also added that the IOC members are able to make their own judgements when they take votes for the Olympic Games in the year 2000.

"We have already overcome what we had in the early 1980s. We have no interest, of course, in the Olympic movement in going back to that era," he said.

Zhang Baifa, another executive vice president of Beijing 2000 Olympic Bid Committee, also criticized the U.S. House and Senate for introducing resolutions opposing Beijing's Olympic bid because of China's record on human rights.

He pointed out the Olympic Charter says that the IOC is the supreme authority of the Olympic movement, and that the election of any city is the prerogative of the IOC alone.

"Different countries have different conceptions or views concerning human rights," Zhang said. "For us, the most important human right is the right to subsistence, to provide enough food for the 1.15 billion Chinese people. Without the right to subsistence, how can we talk about the question of human rights?"

He invited Americans and people in the Western world to make a trip to China, to see the country and judge things with their own eyes.

Kevan Gosper, IOC vice president from Australia, said: "IOC is not a government organization. We don't have a platform on bidding on human rights. Every individual member is entitled to make his own judgment.

"Human rights will be a matter included in the judgment of all IOC members, just like the technical quality of the bid, the support of the government and the environmental aspects."

He warned that continued U.S. interference could lead to a boycott of the 1996 Atlanta Olympic Games. He said he would propose that the IOC send a delegation to

the United States to talk to senators and representatives to make sure they know what the issues are.

Further on Remarks

*OW2306181093 Beijing XINHUA Domestic Service in
Chinese 1407 GMT 23 Jun 93*

[By Zhou Shaoping (0719 1421 1627)]

[Text] Lausanne, 23 Jun (XINHUA)—In Lausanne, Switzerland, today, He Zhenliang, executive vice chairman of the Beijing 2000 Olympic Games Bid Committee, refuted the Human Rights Subcommittee of the U.S. House of Representatives' Committee on Foreign Affairs for interfering in the International Olympic Committee's [IOC] affairs.

The subcommittee recently passed a motion using so-called "human rights conditions" as an excuse to demand that the IOC refuse Beijing's application to host the 2000 Olympics.

Answering reporters' questions at a news conference hosted by the Beijing 2000 Olympic Games Bid Committee, He Zhenliang said: The U.S. House of Representatives Human Rights Subcommittee's actions have violated Olympic principles and is unacceptable. When it comes to selecting the host of the 2000 Olympic Games, the IOC will naturally arrive at its own judgement.

Answering a German correspondent on the human rights issue, Zhang Baifa, executive vice chairman of the Beijing 2000 Olympic Games Bid Committee, said: The Chinese Government has consistently attached importance to human rights. Different countries have different concepts of human rights. The right to subsistence should be given first priority in discussing human rights. Without subsistence, we cannot talk about human rights. China will be solving the biggest human rights issue when it solves the problem of feeding 1.15 billion people.

He also said: There is an old Chinese saying: "It is better to see once than to hear a hundred times." Go to China, walk and look around, and you will understand China.

Senate Panel Approves GATT Power for Clinton

*OW2306213893 Beijing XINHUA in English 1610
GMT 23 Jun 93*

[Text] Washington, June 22 (XINHUA)—The U.S. Senate Finance Committee voted here today to give the administration special power in negotiating a multinational trade agreement.

The vote, 18 to one, followed a similar approval by the House of Representatives Tuesday to renew the President's authority in negotiating the global trade pact.

The trade talks sponsored by the General Agreement of Tariffs and Trade (GATT), based in Geneva, began in 1986 and are expected to be completed by year end.

The vote allows the President to enter into trade agreements before April 16, 1994. The President, in turn, should report to Congress four months in advance.

The full Senate is expected to take up the bill in two weeks.

The "fast track" authority allows the administration to quickly negotiate an agreement. It also means that Congress is not allowed to amend it during its consideration.

President Clinton has urged congress to renew the authority before he goes to Tokyo for the annual summit of the seven industrialized nations on July 7-9.

In 1988, Congress gave Presidents Ronald Reagan and then George Bush such an authority for negotiating in the 114-nation trade talks, but it expired in May 31, 1993.

The GATT talks, which, when completed, are expected to increase world trade by 200 billions of U.S. dollars, are on the top agenda of the forthcoming summit in Tokyo.

Northeast Asia

Tian Jiyun Meets ROK National Assembly Group

OW2406114193 Beijing XINHUA in English 1035
GMT 24 Jun 93

[Text] Beijing, June 24 (XINHUA)—Tian Jiyun, vice-chairman of China's National People's Congress Standing Committee, met and had a friendly talk with Cho Hyung-wu, member of the National Assembly of the Democratic Liberal Party of the Republic of Korea, and his party here this afternoon.

Cho and his party arrived here on June 22 after visiting Shanghai, Qingdao and Dalian as guests of the China Association for International Friendly Contact.

Their visit is aimed at acquainting themselves with China's reform and opening to the outside world in a bid to help increase mutual understanding and promote bilateral relations.

Heilongjiang, ROK's Taegu Exchange Programs

SK2306101293 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 22 Jun 93

[Text] The ceremony to sign the agreement on exchanging radio and television programs between the Heilongjiang Provincial Radio and Television Department and the Taegu General Bureau of the Korean Broadcasting System was held at the Taegu General Bureau on 21 June.

At the signing ceremony, Zhang Kezhong, director of the Heilongjiang Provincial Radio and Television Department, and (Kim Su-ung), director of the Taegu General

Bureau, exchanged documents of agreement on exchanging news and special programs. They also gave speeches at the ceremony.

Many Korean compatriots are living in Heilongjiang Province. The establishment of the sister relations between the Heilongjiang Provincial Radio and Television Department and the Taegu General Bureau of the Korean Broadcasting System will play an important role in transmitting messages and exchanging situations between the Korean compatriots in Heilongjiang and Taegu.

CPPCC's Sun Fuling Receives Japanese Youth Group

OW2306133493 Beijing XINHUA in English 1247
GMT 23 Jun 93

[Text] Beijing, June 23 (XINHUA)—Sun Fuling, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met here today with a delegation from Japan's World Youth Visit Exchange Association.

The delegation, headed by Kichiro Okuda, the executive secretary-general of the association, arrived here yesterday [22 June] as the guest of the All-China Youth Federation.

In addition to touring Beijing, the guests will also visit Guilin and Guangzhou cities during their eight-day stay in China.

Liaoning To Receive Loan From Japanese Bank

SK2406061593 Shenyang LIAONING RIBAO in
Chinese 26 May 93 p 1

[Text] On 25 May in Shenyang, the Liaoning Province's International Trust and Investment Corporation and the Sakura Bank of Japan signed a contract on granting \$10 million in commercial loans with a favorable interest rate and a time limit of five years. This fund will be primarily used to develop Liaoning Province's power industrial facilities and will play a positive role in accelerating the technological transformation of the province's key projects.

As a major window of the province to bring in foreign capital, the Liaoning Province's International Trust and Investment Corporation established business relations with the world-renowned Sakura Bank of Japan fairly early. As early as 1988, the corporation gained \$10 million yuan in medium- and long-term loans from this bank for the province, thus playing an important role in opening the province to the outside world. That the two sides again signed the contract this time has indicated the new progress in the cooperation between them.

New Party Formed in Japan by LDP Defectors

OW2306212993 Beijing XINHUA in English 1347
GMT 23 Jun 93

[Text] Tokyo, June 23 (XINHUA)—Forty-four defectors of the ruling Liberal Democratic Party (LDP) today declared the formation of a new party named Shinseito (New Life Party) and pledged to end the LDP's four decades's rule.

The party was headed by former Finance Minister Tsutomu Hata, who resigned on Tuesday [22 June] from the ruling party together with 43 other legislators.

Shinseito, with former LDP Secretary General Ichiro Ozawa as its deputy head, also pledged to achieve sweeping political and electoral reforms.

"Our party was born to expedite a new wind, new voice and new system," Hata told reporters after he and 43 renegades inaugurated Shinseito at its Tokyo office.

Hata, 57, leading 34 of his 36 faction members of the House of Representatives in siding with the opposition, voted for the no-confidence motion against the government of Prime Minister Kiichi Miyazawa on Friday.

"We believe it is crucial to carry out political reform, including electoral system reform, in order to restore the public's trust in politicians," Hata said.

Election campaign will start early next month for the July-18 general election to select 511 lower house legislators.

The lower chamber was dissolved last Friday after the opposition-sponsored no-confidence motion was passed.

Hata said that his party would strive for a coalition with other political parties ready to join its bid to reform Japanese politics.

The new party leader is possible to become prime minister if anti-LDP forces can work together to form a historical coalition after the general election.

Hata, who split from the largest LDP faction of former Prime Minister Noboru Takeshita last December, plunged the ruling party into its most acute crisis since its was formed in 1955 with the merging of the Liberal Party and the Democratic Party.

Southeast Asia & Pacific

Australia's Keating on Upcoming Visit, Relations

OW2406111893 Beijing XINHUA Domestic Service in Chinese 1353 GMT 11 Jun 93

[By correspondent Chen Xin (7115 2450)]

[Text] Canberra, 11 Jun (XINHUA)—Australian Prime Minister Paul Keating, who is to visit China soon, said

there are great potentials and good prospects for Australia and China to conduct mutually beneficial cooperation in many fields.

He made the above remark here on 10 June while meeting with Shi Chunlai, China's ambassador to Australia. He added that in addition to cooperation on primary products, Australia and China may carry out further cooperation in the area of high technology.

According to a Chinese official here who was also present at the meeting, Keating said he has been looking forward to visiting China to witness the tremendous changes that have been taking place there in the last several years. Keating attended an Asian Development Bank conference in Beijing in 1989 in his capacity as the treasurer of Australia.

Keating expressed the hope to carry out "in-depth exchange of views" with Chinese leaders during his visit on the issue of strengthening the two nations' friendly and cooperative relations and other issues of common concern. He also believed the forthcoming visit will further help promote the existing friendly and cooperative relations between the two countries.

Sino-Australian economic and trade relations have developed rapidly in the last several years. According to Australian statistics, the amount of bilateral trade reached \$2.8 billion by the end of 1992; the same statistics show that Australia has \$228 million in investments in China, and China's investment in Australia is \$256 million.

Reportage on Australian Prime Minister's Visit

Predeparture Remarks Noted

HK2406050893 Beijing ZHONGGUO XINWEN SHE
in Chinese 0505 GMT 23 Jun 93

[By staff reporter Fang Yuansheng (2455 6678 3932)]

[Text] Sydney, 23 Jun (ZHONGGUO XINWEN SHE)—Australian Prime Minister Keating will fly from Seoul to Beijing on 23 June and begin his five-day visit to China. Before he left Canberra, he gave a written talk to Chinese reporters.

Keating's visit to China will be the first for an Australian prime minister in the last seven years. He said: China is the largest country in Asia. His visit will prominently show that the Australian Government attaches great importance to expanding bilateral relations, especially economic relations, with China.

Sino-Australian economic relations have been continuously developing. In 1990, the total volume of bilateral trade amounted to 2.62 billion Australian dollars, while in 1992, the figure rose to 4.19 billion Australian dollars. China has become Australia's ninth largest export market and ninth largest trade partner. At the same time,

Australian investment in China and Chinese investment in Australia have also become increasingly significant.

Keating said that his visit to China was to be made against such a "vigorous economic background." He said: The main purpose of my visit to China is to extensively express Australia's wishes to make further efforts in the Asia-Pacific region and to reinforce economic relations with this region. Concretely speaking, I want to stress the importance of promoting Sino-Australian economic relations and trade. I hope to seek common opinions with the Chinese Government and Chinese business circles and will stress the importance of the development of the Asia-Pacific Economic Cooperation Organization and the necessity of making substantial progress in regional trade liberalization.

Keating pointed out: In the 1980's, the economies of Southeast Asian countries grew at a rate almost double that in other countries of the world. The situation in the 1990's will be the same. In recent years, Australia has spared no effort to participate in this economic development process, full of vigor and dynamism. At present, trade with Asian countries accounts for 60 percent of Australia's foreign trade. Recently, the Australian Government formulated an "Australia in Asia" project, which will cost 60 million Australian dollars, including the construction of an Asian Economic Center, which will provide the Australian business circles with pragmatic analysis of the Asian economy. The project will promote the integration of Australia's economy with Asia's.

Keating finally summed up bilateral relations between Australia and China by saying: Bilateral relations between Australia and China will enter a new period of being closer and more fruitful.

Holds Talks With Li Peng

OW2406032393 Beijing XINHUA in English 0308 GMT 24 Jun 93

[XINHUA transmits the following as a "flash" item]

[Text] Beijing, June 24 (XINHUA)—Chinese Premier Li Peng and visiting Australian Prime Minister Paul J. Keating held talks at the Great Hall of the People here this morning.

At the beginning of the talks, Li extended a warm welcome to Keating on behalf of the Chinese Government and in his own name.

Keating said that he was very glad to be able to visit China again, and arriving yesterday he immediately felt the vitality of Beijing.

Li said that many changes have indeed taken place in Beijing, and this can be attributed to a peaceful international environment and to internal unity and stability, as well as our implementation of a correct line—reform and opening up.

He said the relations between China and Australia are good despite some setbacks. "Your current visit to China shows that our bilateral relations will move to a new stage," he added.

Earlier this morning, Li presided over a red-carpet welcoming ceremony for Keating, who arrived last night on a five-day official visit to China.

At press time, the talks are still going on.

Ties, Other Issues Discussed

CM2406164793 Beijing XINHUA Domestic Service in Chinese 1132 GMT 24 Jun 93

[Text] Beijing, 24 Jun (XINHUA)—Chinese Premier Li Peng held talks here today with visiting Australian Prime Minister Paul J. Keating, during which the two leaders exchanged views on bilateral relations and international and regional issues.

Keating said that he was very glad to be able to visit China again. He said that when he arrived yesterday, he immediately felt the vitality of Beijing, and added that he could see great achievements resulting from China's reform and opening policies.

Li told Keating that China had made more progress in economic development since Keating last visited Beijing. Li said that the many changes can be attributed to a peaceful international environment and to domestic unity and stability, as well to the Chinese leadership's implementation of reforms and opening up.

On the other hand, said Li, China is aware of the difficulties and problems in the process of progress and is taking practical measures to solve them.

Both sides expressed satisfaction with the smooth development of Sino-Australian relations and said they hoped to make joint efforts to strengthen cooperation in various fields in the future.

Keating said Australia wants to continue its effective cooperation with China in the fields of steel, telecommunications, computer science, environmental protection and medicine.

Li said that the Chinese Government always attaches importance to Sino-Australian relations and that maintaining the momentum of development in bilateral relations is in keeping with the interests of the two sides.

He described Australia as "an important trade partner" of China and said he appreciated Australia's support for the restoration of China's status as a member of GATT.

Li said that both China and Australia have their own economic advantages, which are highly complementary. There is great potential for developing trade and economic and technological cooperation, according to Li.

The two leaders touched upon the international economic and trade situation and shared many identical views.

Li said that China always stands for establishing a new political and economic world order on the basis of the five principles of peaceful co-existence and other important principles.

He noted that the world is becoming multipolar. Although the global economy is presently turbulent, unbalanced, and in a state of slow growth on the whole, the economy of Southeast Asia has maintained its development momentum, which is favorable for strengthening economic cooperation among the Asian-Pacific countries.

Keating said he agreed with Li, and added that both sides should make joint efforts to expand economic cooperation in the Asian-Pacific region.

Chinese Vice Premier and Foreign Minister Qian Qichen and Wu Yi, leader of a reception committee of the Chinese Government and minister of foreign trade and economic cooperation, also attended the talks.

Attending the meeting in addition were Australian Ambassador to the PRC Michael Lightowler and Australian high-ranking officials who are accompanying Prime Minister Keating to China.

Before the meeting, Premier Li Peng presided over a welcoming ceremony for Prime Minister Keating at the Central Hall of the Great Hall of the People.

Li's 'Ill Health' Confirmed

*BK2406092893 Melbourne Radio Australia in English
0800 GMT 24 Jun 93*

[Text] The Australian prime minister, Paul Keating, says China has given a positive response to Australia's push to export more technology to the region. Political correspondent Graeme Well reports from Beijing that Mr. Keating was speaking after more than an hour of talks with the Chinese premier, Li Peng.

During the talks, Li Peng confirmed he'd been in ill health and had been urged to take it slowly. In fact, the talks were delayed and wound up earlier than originally planned. But, the premier told Mr. Keating that they would discuss some issues further at a banquet dinner. Li Peng paid tribute to Australia's raw materials industry which he expects to continue contributing to China's growth.

Speaks at Business Luncheon

*OW2406093493 Beijing XINHUA in English 0855
GMT 24 Jun 93*

[Text] Beijing, June 24 (XINHUA)—Visiting Australian Prime Minister Paul Keating said here today that the economies of both China and the rest of the world will be

a great deal better off when Beijing is re-admitted as a member of the General Agreement on Tariffs and Trade (GATT).

China is transforming itself into one of the world's great economies, and is becoming a much bigger and outwardly-oriented economic power, Keating said at a business lunch held in Beijing's Shangri-la Hotel.

China has the right and the responsibility to contribute more to decisions about the future shape of the international and regional trading systems, the prime minister said.

On Sino-Australian bilateral trade, Keating said, the volume is growing and so is the range.

Last year, trade between Australia and China reached more than four billion Australian dollars. Twenty years ago, he said, Australia's exports to China were dominated by commodities such as iron, wheat, sugar and wool, yet now, they range across areas as diverse as air navigation equipment, telecommunications systems, hi-speed ferries and computer software.

"Our economies are complementary in a number of ways," Keating said. Australia has a growing range of sophisticated products, services, technology and industrial raw materials which are of interest to Chinese industry, and China in turn is highly competitive in many sectors of manufacturing—producing goods required by Australian industry and consumers.

The prime minister said that this synergy provides a basis for a more integrated approach to investment and industrial development between Australia and China through such means as investment and joint ventures.

He said that the relationship between Australia and China is an old one, and "we have come to know each other and our business enterprises need to look to closer integration to make sure that the Asia-Pacific, the most economically dynamic region of the world, achieves its full potential."

Also speaking at the business lunch, Li Guixian, Chinese state councillor and president of the People's Bank of China, said that trade volume between China and Australia has increased by 27 times since the two countries established diplomatic ties 20 years ago and that mutual investment has totalled over 920 million U.S. dollars.

Four contracts on economic cooperation and trade were signed at today's meeting between China and Australia, which included the following:

- The AAP [AUSTRALIAN ASSOCIATED PRESS] Group and XINHUA NEWS AGENCY will jointly sell and disseminate news and economic data in the Asia Pacific region;

- Alcatel Australia, one of Australia's largest communications companies, will provide digital telephone exchanges to Anhui and Qinghai provinces;

—The ANZ Banking Group will set up a branch office in Shanghai; and

—The Cadbury Schweppes Group and the Beijing General Corporation of Agriculture, Industry and Commerce plan to set up a joint venture in chocolate manufacturing, to be called Cadbury Beijing Food Limited.

Li Peng Hosts Dinner

*OW2406125993 Beijing XINHUA in English 1228
GMT 24 Jun 93*

[Text] Beijing, June 24 (XINHUA)—Chinese Premier Li Peng hosted a dinner in honor of visiting Australian Prime Minister Paul J. Keating, Mrs. Keating and their party at the Diaoyutai State Guesthouse here this evening.

Among those who attended the dinner were Zhu Lin, Li Peng's wife, Qian Qichen, Chinese vice-premier and foreign minister, Luo Gan, state councillor and secretary general of the State Council, and Wu Yi, chairman of the Chinese Government Reception Committee and minister of foreign trade and economic cooperation.

This afternoon, Keating and his party visited the Beijing Film Studio, where the prime minister spoke highly of the two Golden Palm award-winning films, "Adieu, My Concubines" of China and "The Piano Lesson" of Australia, calling them "successes of the Asia-Pacific region."

Noting that much progress has been made between the two countries in the cooperation of film industry, he expressed the hope that such cooperation will continue.

As in economy, Australia and China are two creative countries in film making, said the Australian prime minister.

Defense Minister Meets Vietnamese Soldier's Delegation

*OW2306133793 Beijing XINHUA in English 1306
GMT 23 Jun 93*

[Text] Beijing, June 23 (XINHUA)—General Chi Haotian, China's state councillor and minister of defense, met here today with a delegation from Vietnam's Old Soldiers Association led by its Chairman Tran Van Quang.

Chi said at the meeting that China and Vietnam, linked by common mountains and rivers, hold common interests and goals. A good Sino-Vietnamese relationship will enhance not only the economic development of the two countries, but also the process of peace and development in Asia and in the world.

The seven-member delegation arrived here on Monday [21 June] at the invitation of China's Ministry of Defense.

It will tour Beijing, Shandong, Shanghai and Guangxi in the coming two weeks.

China National Tourist Office Opens in Singapore

*OW2406113993 Beijing XINHUA in English 1045
GMT 24 Jun 93*

[Text] Singapore, June 24 (XINHUA)—The setting up of China National Tourist Office (CNTO) in Singapore surely will exert positive influence in developing tourism between Singapore and China.

This was pointed out by Sun Gang, vice chairman of China National Tourist Administration at the official opening ceremony of the CNTO held here today.

Sun Gang said that China highly valued the Singaporean experience on developing tourism, dearly cherished the cooperation with tourism circle in Singapore and the Singaporean outbound travel market.

Former Deputy Prime Minister Goh Keng Swee and Senior Minister of State for Trade and Industry of Singapore Lim Boon Heng and other guests attended the opening ceremony.

Speaking at the ceremony, Lim Boon Heng said that "China is a civilization with a unique, fascinating and long history. China also has diverse and beautiful scenery. A visit to China is an educational experience".

He is sure that Singapore can be a base for tourist marketing in the region and the future augurs well for tourism growth between Singapore and China.

In 1991 about 100,000 Singaporeans visited China, 1992 saw an increase of 55.8 percent with almost 152,800 Singaporeans visiting China. From January to April this year, almost 51,342 Singaporeans visited China, an increase of 23.8 percent over the same period last year.

Tourist traffic from China to Singapore has increased almost 302 percent in January-April this year with about 700,096 Chinese visiting the island country. 1992 saw an increase of 120 percent with 92,930 Chinese visiting Singapore.

Near East & South Asia

Reportage on Li Lanqing's Kuwaiti Visit

Meets Officials, Businessmen

*OW2206224693 Beijing XINHUA in English 1853
GMT 22 Jun 93*

[Text] Kuwait City, June 22 (XINHUA)—Visiting Chinese Deputy Premier Li Lanqing met here today with the President of the Kuwaiti Chamber of Commerce and Industry, Abdul Aziz Hamad Saqr, and a score of economic officials and businessmen.

Li briefed them on trade and economic development policies in China with a view to acquainting them with China and promoting economic and trade cooperation between the two countries.

China plans to increase the volume of exports while maintaining an equilibrium with its imports, Li said.

He pointed out that China has opened its markets to the outside world and would keep them in line with the requirements of modern economic build-up.

In view of the present high rate of development and construction, the total value of Chinese imports during the Eighth Five-Year Plan (1991-1995) may exceed 350 billion U.S. dollars, he disclosed.

The Chinese official noted that Chinese Government was interested in promoting economic and trade cooperation with Gulf Arab states, particularly Kuwait.

On his part, Saqr said Kuwait was fully aware of China's status in the world and the economic and trade relations between Kuwait and China were developing in a sound way.

He indicated that the bilateral trade volume was growing steadily. But he also complained of the delay in the delivery of goods by some Chinese firms.

The Kuwaiti businessmen were interested in information about investment climate in China, taxation, tourism, and economic and trade cooperation in various fields.

Meanwhile, the joint Chinese-Kuwaiti committee began its third session here today under the co-chairmanship of the Chinese deputy premier and Kuwaiti Minister of Finance and Planning, Nasir al-Ridan.

They also exchanged views about the expansion of economic and trade cooperation, the encouragement of investments and introduction of technological and trade markets in each other's country.

Li arrived here Monday [21 June] within the framework of a Gulf tour that covers Iran and all six Gulf Cooperation Council (GCC) states—Saudi Arabia, Kuwait, Qatar, Bahrain, Oman and the United Arab Emirates.

Meets Amir, Crown Prince

*OW2306213293 Beijing XINHUA in English 1836
GMT 23 Jun 93*

[Text] Kuwait City, June 23 (XINHUA)—The amir of Kuwait, Shaykh Jabir al-Ahmad al-Sabah, today received the visiting Chinese Deputy Premier Li Lanqing, who is heading a Chinese economic delegation to Kuwait.

During the meeting, Shaykh Jabir said the ties of friendship and cooperation between Kuwait and China has been steadily developing ever since they established diplomatic relations 20 years ago.

He expressed his appreciation for China's support of Kuwait during Iraq's invasion and occupation of the oil-rich country in 1990-91.

Shaykh Jabir said that Chinese companies had inherent potentials that would make cooperation closer in the rehabilitation and reconstruction of Kuwait, badly battered under the seven-month Iraqi occupation.

He expressed hope that Li's visit would give an impetus to the relations of friendship and cooperation between Kuwait and China.

On his part, Li praised the great successes achieved by the Kuwaiti people under the leadership of the amir and Kuwaiti Government in safeguarding its sovereignty and territorial integrity, resisting external aggression and the rehabilitation and reconstruction of Kuwait.

Li said that China opposed the Iraqi invasion from the outset, asserting that China would spare no effort for the enforcement of all related U.N. Security Council resolutions, particularly Resolution 833 regarding the demarcation of the border lines between Kuwait and Iraq, in a bid to entrench security and stability in the region.

Similarly, crown prince and prime minister, Shaykh Sa'ad al-'Abdallah al-Sabah, also met the Chinese deputy premier and his accompanying delegation.

Shaykh Sa'ad asserted that exchange of visits between the leaders of the two countries would help enhance the bilateral ties of friendship and cooperation.

Kuwait entertained a strong desire for strengthening relations with China, he said.

Kuwait and China could cooperate in many fields and Chinese companies, with their great potentials, could contribute to Kuwait's reconstruction, he added.

Li arrived in Kuwait Monday [21 June] on the first leg of a tour that would also cover Saudi Arabia, the United Arab Emirates, Oman, Bahrain, Qatar and Iran.

Presides at Cooperation Committee Session

*OW2306223693 Beijing XINHUA in English 1728
GMT 23 Jun 93*

[Text] Kuwait City, June 23 (XINHUA)—The joint Chinese-Kuwaiti Committee for Economic, Technical and Trade Cooperation ended its third session here today with a minutes calling for more economic cooperation.

The meeting, jointly presided over by visiting Chinese Deputy Premier Li Lanqing and Kuwaiti Minister of Finance and Planning Nasir al-Ridan, reviewed the developments in the economic, technical and trade relations between the two countries in the wake of the committee's second session, held in March 1992.

In the minutes, the Kuwaiti side expressed appreciation for China's support for U.N. Security Council resolutions denouncing Iraqi invasion of Kuwait, particularly Resolution 833 regarding the demarcation of the Kuwaiti-Iraqi border lines.

The two parties also expressed hope for the release of Kuwaiti prisoners of war and detainees held in Iraq at the earliest possible time.

Both parties discussed investment, loans and trade and other economic issues.

Chinese officials said "an atmosphere of mutual confidence and friendship" prevailed at the third session, emanating from the sincere desire of both countries for the promotion and consolidation of cooperation between them.

An agreement has been reached to hold the fourth session in Beijing, the Chinese capital.

The joint committee held its first session in Kuwait in December 1989, and the second in Beijing last year.

Li Lanqing, who is leading a Chinese economic delegation to Kuwait, arrived here Monday [21 June] on the first leg of a Gulf tour that will take him to Iran, Saudi Arabia, the United Arab Emirates, Oman, Bahrain and Qatar.

Kidnapped Engineers May Be Taken to Afghanistan

OW2306154793 Beijing XINHUA in English 1523 GMT 23 Jun 93

[By Hu Xiaoming; spelling of all names as received]

[Text] Islamabad, June 23 (XINHUA)—Whereabouts of the two Chinese engineers are still untraceable two days after their kidnapping along Pak-Afghan border in Pakistan's Baluchistan Province.

"We are doing everything possible to trace them out," Pakistan Foreign Secretary Shehryar Khan said here today in an informal talk with reporters.

"We feel ashamed that Chinese are kidnapped again," he added.

He said this incident is slightly different from the earlier ones as political factor could not be ruled out in this case.

Local officials in Quetta analyzed that the Chinese engineers might be kidnapped as hostage by Afghans to exchange for their people in the custody in Pakistan.

Baluchistan Chief Minister Zulfiqar Ali Magsi said today it was understood that the culprits had taken their hostage into Afghanistan.

The two Chinese engineers, Wang Qinpin, 29, and Zheng Hongbao, 40, were kidnapped at gunpoint by six armed masked men at about 10:30 A.M. on Monday [21 June]

while working on a project in Bostan area in Pishin District, some 40 kilometers northwest of the provincial capital of Quetta.

The kidnappers took the Chinese engineers away in a pick-up after bursting the tires of their vehicle and blindfolding the locals present on the spot.

The incident was reported to the local administration at 5:30 P.M. on the same day.

According to Gul Hanif, additional secretary of Pakistan Foreign Office, three Uzbek laborers who accompanied the Chinese engineers reported that the kidnappers went in the direction of Yaru, a village some 30 kilometers away from Quetta.

The whole area was cordoned off and local police were searching in different directions, Hanif said.

Answering a question at a weekly press briefing at the Foreign Office, Hanif said the central government is in constant touch with the local administration. "We have telephone call every two hours," he said.

Six Chinese engineers were kidnapped in the same province in October last year by Afghans who use them to exchange for their people in custody in Pakistan.

Chinese Embassy in Pakistan is very concerned about the second incident of kidnapping Chinese engineers in nine months in the same province.

Economic Councillor Chen Zibin met here on Tuesday with Hussain Niazi, joint secretary of Pakistan Interior Ministry, and expressed his concern about the incident.

One Chinese Embassy official rushed to Quetta on the day the incident occurred to coordinate the efforts to rescue the kidnapped engineers.

Thousands of Chinese engineers are working in Pakistan.

Bangladesh Prime Minister Thanks Government for Aid

OW2306213393 Beijing XINHUA in English 1650 GMT 23 Jun 93

[Text] Dhaka, June 23 (XINHUA)—Prime Minister Begum Khaleda Zia today formally inaugurated the China-aided 448-meter-long bridge over the River Mohananda in Nawabganj.

The prime minister, during her election campaign, promised the people to construct the bridge which was also a commitment of her husband, the country's late President Ziaur Rahman. After coming to power she laid the foundation stone of the bridge in August 1991.

The bridge has been completed six months before the schedule with financial and technical assistance of China at a cost of 10.58 million U.S. dollars.

Addressing a huge gathering of people, who assembled on the banks of the river near the bridge, the prime

minister thanked the Chinese Government and people for extending their whole-hearted cooperation to Bangladesh in constructing the bridge.

She said her government is determined to implement all its commitments for development to the nation with the support of the people and utilizing available resources.

Khaleda Zia stressed that development and production are the targets of her government. The people are getting the benefits from the development-oriented programs of the government, she said, adding the production has increased and poverty has been reduced to an extent.

According to the prime minister, during the last two years her government has constructed more than two hundred small and big bridges and 3,000 kilometers of road, and it has plans to construct another 6,000 kilometers of road and 16,000 meters of bridges in the coming years.

East Europe

Daily on Li Tieying Talks With Albanian Official

HK2306134493 Beijing RENMIN RIBAO in Chinese
18 Jun 93 p 4

[XINHUA report by reporter Chen Yonghong (7115 3057 4767): "Li Tieying Holds Talks With Albanian Deputy Prime Minister Kopliku"]

[Text] Beijing, 17 Jun (XINHUA)—During talks with Albanian Deputy Prime Minister Bashkim Kopliku at the Diaoyutai State Guest House this afternoon Li Tieying, state councillor and minister of the State Commission for Restructuring Economy, said China is willing to further promote and develop exchange and cooperation in all areas between China and Albania on the basis of the Five Principles of Peaceful Coexistence.

Kopliku is the first Albanian deputy prime minister to visit China for nearly 10 years. At the invitation of the Chinese Government, he arrived in Beijing today for a one-week official visit.

According to Chinese Foreign Ministry officials participating in the talks, Li Tieying and Kopliku exchanged views in a friendly atmosphere, discussing Sino-Albanian bilateral relations and international and regional issues of common concern.

Li Tieying said: The peoples of China and Albania have deep friendship, the two countries have no conflict of fundamental interests, and Sino-Albanian friendship is in the fundamental interests of their peoples.

He said: In recent years, a good tendency of positive development has appeared in Sino-Albanian relations. Exchange and cooperation between the two countries in political, economic, scientific, technological, cultural, and other areas are increasing daily. Li Tieying said: On the basis of the Five Principles of Peaceful Coexistence, the Chinese Government is willing to make efforts to further promote and develop exchange and cooperation in all areas, and to promote the development of bilateral economic and trade relations in particular. He said: China and Albania have a fine tradition of economic and trade cooperation. As long as the two sides actively seek areas of cooperation and create conditions for it, their economic and trade relations can be restored and developed.

Speaking on the question of Taiwan, Li Tieying praised Albania for its adherence to the principled position that "there is only one China" and for the fact that it does not develop official relations with Taiwan. At the talks, Li Tieying also briefed the guests on China's economic restructuring and its achievements.

Kopliku felt happy about the restoration and development of relations between Albania and China, saying: Albania is willing to understand China's experience in economic restructuring, and hopes to further expand bilateral economic and trade cooperation.

Poland To Seek Expanded Economic Cooperation

OW2406041793 Beijing XINHUA in English 0345
GMT 24 Jun 93

[Text] Warsaw, June 23 (XINHUA)—Poland will take measures to seek an expanded cooperation with China, Henryk Goryszewski, deputy chairman of the Polish Council of Ministers told XINHUA in an interview today.

Goryszewski, who is to visit China as head of a government delegation, said he would discuss with Chinese leaders cooperation in railway construction, mining, aerospace, shipbuilding, metallurgy and engineering.

He is also vice-premier responsible for economic affairs, and expects that cooperation between the two countries, at present mainly in trade, could be promoted to a higher level in production or investment.

He said his government was considering readjusting tariffs, to perfect its foreign trade system and other measures to boost trade and cooperation with China.

He also expressed optimism on Sino-Polish ties, adding that his country, which is seeking to join the European Economic Community, will not pursue a leaning foreign policy and will look for other political and economic partners outside Europe.

Latin America & Caribbean**Wei Jianxing Meets Cuban Party Ideology Official**

*OW2306094893 Beijing XINHUA in English 0926
GMT 23 Jun 93*

[Text] Beijing, June 23 (XINHUA)—Wei Jianxing, a member of the Political Bureau of the Communist Party of China (CPC) Central Committee, met here today with

Victor Manuel Gonzalez, co-ordinator of the Ideology Department of the Cuban Communist Party Central Committee.

Manuel arrived here from Pyongyang on Saturday for a five-day visit to China as guest of the International Liaison Department of the CPC Central Committee.

During his stay here, he held talks with some CPC leading officials and visited the PEOPLE'S DAILY [RENMIN RIBAO], the XINHUA NEWS AGENCY and the China Central Television (CCTV).

Political & Social

Sources Say Li Peng 'Offered To Resign'

HK2406001093 Hong Kong THE STANDARD in English 24 Jun 93 p 1

["Exclusive" report by Agnes Cheung]

[Text] Chinese Premier Li Peng has offered to resign as head of the Chinese government because of ill health, sources said.

Li, who is in the 301 Military General Hospital, offered his resignation in a report to the party central, sources said.

"President Jiang Zemin has been the first in command and Vice-Premier Zhu Rongji is now in charge of the daily work of the State Council," a source said.

However, it is expected that 65-year-old Li will not be removed from his position this year because the leadership wants to maintain a stable political situation.

Li returned to hospital after meeting with Malaysian Prime Minister Mahathir Mohamed 10 days ago.

Li has stayed at the hospital since he fell ill in late April.

He received Mahathir, although not yet fully recovered from his heart ailment, because Malaysia was the last major Southeast Asian country to forge diplomatic ties with China, the sources added.

The meeting was Li's first public appearance in seven weeks. Officials maintained he had a bad cold, while sources said he had a heart attack.

A local report yesterday said Li suffered from a flu after meeting Mahathir. Though his condition was not considered serious, Li was worried that the virus might complicate a heart condition.

Li's doctors believe he will be able to return to work at the end of this month, although they want him to reduce his workload and end his habit of working at night.

Li still plans to meet Australian Prime Minister Paul Keating who arrived in Beijing late yesterday for a four-day visit. Keating will also meet President Jiang Zemin and Zhu Rongji.

NPC Prepares for Hong Kong Administration

Qian Qichen To Head Committee

HK2306133793 Hong Kong WEN WEI PO in Chinese 23 Jun 93 p 2

[Dispatch by correspondent Chen Chien-ping (7115 1696 1627): "Half of the Preliminary Work Committee for the Preparatory Committee for the Hong Kong

Special Administrative Region Will Be Made Up of Hong Kong People; Qian Qichen Nominated Committee Director"]

[Text] Beijing, 22nd—Tian Jiyun, vice chairman of the Eighth National People's Congress [NPC] Standing Committee explained the "Decision To Establish a Preliminary Work Committee for the Preparatory Committee of the Special Administrative Region (Draft)" to the Second Standing Committee Meeting, which was convened today. According to an NPC Standing Committee member, the preliminary work committee in the draft will consist of 27 people from the mainland and 30 Hong Kong people. State Council Vice Premier Qian Qichen was nominated director of the committee.

In an interview given to WEN WEI PO reporters, the NPC Standing Committee member said that the draft proposed 57 members, one director, and seven deputy directors. Of the seven, three are Hong Kong people: Ann Tse-kai, Henry Fok, and Li Fook-sean. He said that the draft also mentioned creating a secretary general and deputy secretary general but did not spell out if the committee would have special panels. He believed that the method for setting up panels and the number of people on them were matters to be arranged by the preparatory committee after its establishment. The NPC Standing Committee need not be bothered with the review and examination of such panels.

The Standing Committee member said that from the list alone, there are officials as well as experts among mainland committee members. All of them, however, are from departments involved in Hong Kong affairs; for example the Hong Kong and Macao Affairs Office, XINHUA News Agency Hong Kong Branch, Foreign Ministry, Ministry of Foreign Trade and Economic Cooperation, Economic and Trade Commission [as published], Public Security Ministry, Ministry of National Defense, and so on, and the majority are of vice ministerial rank. Asked if the Hong Kong members form a good cross-section, he revealed that a section of the draft explaining member composition dwells on this issue.

Other Nominees Discussed

HK2306144793 Hong Kong Television Broadcasts Limited in English 1110 GMT 23 June 93

[From "News at 8:00" program]

[Text] China has drawn up a preparatory working group for Hong Kong. There will be 57 appointees; 30 are prominent Hong Kong residents and 27 are Chinese officials. The working group will pave the way for a more formal preparatory committee. Its membership is now being discussed in Beijing. May Wong reports:

[Begin recording] [Wong] The final decision is to be made by the Standing Committee of the National People's Congress, which is meeting in Beijing this week. But the names of appointees have already been circulated widely. Chinese Foreign Minister and Vice Premier Qian

Qichen is tipped to be chairman of the preparatory working group that would chart the course toward Hong Kong's first SAR [Special Administrative Region] government. [Video shows "Preparatory Working Group, chairman: Qian Qichen" with accompanying photograph of Qian]

Beijing's man in the territory, Lu Ping, would head the powerful secretariat. [video shows "Secretary-general: Lu Ping" and his photograph]

All together, the working group will have 57 members; 30 will be from Hong Kong. All except three are currently advisers to Beijing on Hong Kong affairs. They include Legislators Lau Wong-fat, David Li, Tam Yiu-chung, and Ngai Shiu-kit. [Video shows: "Preparatory Work Group (Legislators): David Li, Ngai Shiu-kit, Lau Wong-fat, Tam Yiu-chung"]

[Ngai Shiu-kit] And of course I'll be happy to do it because I'm just an ordinary Hong Kong person. I live here, I stay here, I do my work here. So I will be pleased if I can do something for Hong Kong.

[Wong] The working group will also comprise 15 former Basic Law drafters and Basic Law Consultative Committee members. [Video shows: "Preparatory Work Group (Basic Law Drafters and Advisers): T. K. Ann, Cha Chi-man, Raymond Wu, Leung Chun-ying, Simon Li, Tsang Hin-chi, Li Ka-shing, Dorothy Liu, Ng Hong-man, Maria Tam, Shao You-bao, Henry Fok, Vincent Lo, Wong Po-yan, T. S. Lo]

Other Hong Kong affairs adviser appointees include former local politicians and members of the Chinese People's Political Consultative Conference. [video shows: "Preparatory Work Group (Hong Kong Affairs Advisers): David Chu, Tsui Tsin-tong, Chan Yat-sun, Tsang Yok-sing, Sir S. Y. Chung, Nellie Fong, Xu Ximin, Lau Sui-kai"]

The three members who aren't Hong Kong affairs advisers include former Exco [Executive Council] and Legco [Legislative Council] member Rita Fan, Lee Chak-tin from the Federation of Trade Unions, and Lo Shuk-ching, head of an Agriculture and Livestock Association. [video shows: "Preparatory Work Group (Non-Hong Kong Affairs Advisers): Rita Fan, Lee Chak-tin, Lo Shuk-ching].

Twenty-seven Chinese officials will also serve on the working group. [video shows: "Preparatory Work Group (Chinese officials on Hong Kong Affairs): Zhou Nan, Zhao Jihua, Jiang Enzhu, Li Weiting, Wang Fengchao, Chen Wei, Wang Qiren, Qin Wenjun, Chen Ziyang"—only nine names as seen]

Apart from Qian Qichen and Lu Ping, nine other officials currently deal with Hong Kong affairs. Topping the list is Hong Kong New China News Agency chief, Zhou Nan, and the Chinese negotiator in current Sino-British talks, Vice Foreign Minister Jiang Enzhu. Pending passage of the namelist by the NPC Standing Committee,

the working group is expected to hold its first meeting in Beijing on July 15. May Wong, TVB News. [end recording]

Panels Examine Science Law

OW2306141693 Beijing XINHUA Domestic Service in Chinese 1012 GMT 23 Jun 93

[By reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 23 Jun (XINHUA)—Members attending the Second Session of the Eighth National People's Congress [NPC] Standing Committee divided into groups yesterday afternoon and this morning to examine the draft law for scientific and technological advancement. Most of the members maintained that the draft, after it had been examined and revised by the Standing Committee several times, has become quite applicable. They proposed that it should be promulgated for implementation as quickly as possible after the current session has examined and revised it.

Standing Committee member Zhang Ruiying maintained that the law is essential for promoting scientific and technological advancement, expediting scientific research and technological development, popularizing research results, training scientists and technicians, and enabling science and technology to serve economic construction as the primary productive forces.

Standing Committee member Zeng Xianlin said: The development of science and technology has been progressing very rapidly in the past eight years. The adoption of the law will help expedite scientific and technological advancement. He added: There should be a separate chapter on science and technology dissemination, a field still plagued by many problems. Moreover, there should also be provisions for banning falsifications in the field of science and technology.

Many Standing Committee members expressed their views on increasing the budgets for scientific and technological development. They maintained that insufficient budgets are an outstanding problem and one of the major problems which the law intends to solve. Thus the law should have provisions governing the amounts of money to be invested in scientific and technological development.

Standing Committee member Hu Min said: According to previous experiences and lessons, the amount of investment in science and technology should be fixed. While this is good for scientific and technological development, it will also be good for the execution and supervision of the law.

Standing Committee member Zhang Xusan said: The people's initiative and investment are two requirements crucial for scientific and technological development. When the law has set a percentage, it will become compulsory to implement. When the state and enterprises draw up their plans, they must take this percentage

into consideration. Not only will this help promote scientific and technological development, but it will also facilitate the formulation of plans.

Some Standing Committee members also pointed out that the state must attach great importance to scientific and technological development in minority areas. Standing Committee members Wang Yu and Wu Changshu maintained that the provision in the draft law that says "the state must assist minority areas in accelerating their scientific and technological development" is very essential, but it is not enough. They proposed that the provision should be reinforced with additional substance so that there will be actual support for minority areas' scientific and technological development.

Science Law 'Fairly Complete'

OW2306122393 Beijing XINHUA in English 1052
GMT 23 Jun 93

[Text] Beijing, June 23 (XINHUA)—In the past two days Chinese legislators attending the current session of the Standing Committee of the National People's Congress (NPC) have further deliberated the draft law on scientific and technological progress.

The legislators hold that after repeated deliberations and revisions, the draft law is fairly complete now and suggest that the session adopt it.

They point out that the development of a socialist market economy has promoted the combination of education, production, science and technology, which imposes a higher demand on scientific and technological progress.

They hope the draft will be adopted as soon as possible even though it still has some areas to be improved. The existing imperfect points can be gradually improved in the process of future implementation, according to the legislators.

Member Yang Lieyu said that the law should not only make provisions for rewarding scientists who have made outstanding contributions, but also provide punishment for those who have committed illegal activities.

"Fake and falsified achievements, stealing others' reputations and damaging the interests of other people, public society and the state, widely exist in scientific and technological activities nowadays," Yang said.

Member Dong Fureng said that it is a flaw for the draft law to exclude social sciences. He pointed out that commercializing and turning the results of scientific research into production can hardly be realized without social sciences.

His opinion sparked a debate among the other legislators. Those who disagree said that excluding the social sciences is good for concentrating on the development of science and technology and productive forces.

Vice Chairman of the NPC Standing Committee Wang Guangying said that it is of equal importance for the formulation and implementation of law.

The vice chairman urged governments and congresses at all levels to adopt concrete measures to guarantee the implementation of laws.

During the two-day deliberation, the legislators have also put forward revisions on the government input into science and technology, education, and the job mobility and moonlighting of scientists.

Deliberations on Central Committee Plenum Continue

Central Authority in 'Atrophy'

HK2306053493 Hong Kong SOUTH CHINA
MORNING POST in English 23 Jun 93 p 25

[Article Willy-Wo-lap Lam]

[Text] Things have come to such a pass that the Chinese Communist Party (CCP) seems to lack the confidence to convene the Third Plenum of its Central Committee, originally scheduled for late this month or early next.

Chinese sources said it was now probable that the conclave—billed as a summit to "cure" the overheated economy—would be postponed to the autumn. The sources said the leadership would put off the plenary session if they thought no consensus could be achieved—and that the meeting, instead of being a showcase for unity, would degenerate into a platform for dissension.

Indications are that in spite of the rantings of President Jiang Zemin and other senior cadres, the atrophy of central authority is accelerating. The sources said instead of calling a Central Committee plenum, which will be attended by top cadres from the provinces and major cities, Mr Jiang might make do with a series of pep talks with a relatively small number of regional chiefs.

While touring Shanghai in early May, Mr Jiang highlighted the need to restore Beijing's control mechanisms with party bosses from the metropolis as well as from six nearby provinces.

At Xian in the middle of this month, he repeated the message of "making individual sacrifices for the collective good" at a session with leaders from five northwest provinces. An informed source said it was likely Mr Jiang would take his roadshow to the northeastern provinces soon. "It is easier for Mr Jiang and other central-level leaders to flex their muscles at meetings with small groups of regional leaders," the source said. "Party plenums, specially those in the midst of tugs-of-war between Beijing and the provinces, have provided opportunities for regional warlords to gang up on the centre."

There is evidence the localities have become even more aggressive since Beijing made known early this year that a credit crunch was in the offing.

The first attempt by Beijing to reimpose fiscal discipline took place at an emergency session of top central and provincial officials in late March. In an address at the closure of the conclave on April 1, Mr Jiang made an emotional plea for "boosting macro-level adjustments and controls". Since the president's caveats were observed more in the breach, however, Mr Jiang's speech was reprinted on the front pages of national and regional papers in early June.

Beijing's difficulties with the "warlords" have been exacerbated by its loosening grip on the enterprises. Analysts have cited the People's Bank of China's four-month-old battle with the quasi-private Great Wall group of manufacturers of mechanical and electrical appliances.

Great Wall has been set up as a "national negative example" for violating the tight-money policy. Specifically, from late 1992 till its liquidation by Beijing in February, Great Wall raised one billion yuan from about 200,000 Chinese by offering interest rates of 24 percent, or around three times the official rates.

Great Wall chief Shen Taifu, who was arrested soon after he slapped a lawsuit on the People's Bank in March, argued that under the Law on Technological Contracts, his company had the right to conclude investment "contracts" with its backers.

Aided by fairly sympathetic reporting by the mainland media (six reporters have been arrested for allegedly taking bribes from Great Wall), the hi-tech giant has enjoyed a ground-swell of public support.

It is a mark of Beijing's growing lack of self-assurance that at a meeting earlier this month, a top party leader impressed upon the ministers the "supreme importance" of sinking Great Wall. "Departments of all levels must do their best to help (Bank president) Li Guixian win the court case," the leader reportedly said.

While some Chinese intellectuals may be dismayed by this apparent attempt to influence judicial processes, even more are worried about the futility of the draconian measures. In spite of Beijing's repeated warnings against "illegal" or "excessive" attempts by corporations to raise cash, such practices have continued with offers of interest rates of up to 40 percent becoming common-place.

Aside from the fact that the economic centre of gravity has inexorably shifted to the regions, Beijing's attempt to re-assert itself has been hurt by its own internal contradictions.

Firstly, even while committed to retrenchment, Mr Jiang and such other economic czars as Vice-Premier Zhu Rongji still have to toe patriarch Deng Xiaoping's line about expediting growth and reforms. Mr Jiang has

repeated Mr Deng's slogan about "seizing the opportunity" in his recent speeches on austerity.

Secondly, the central leadership cannot deny that the major culprits of overheating the economy is the fast-growing number of corporations affiliated with senior cadres, military officers and their offspring.

That the leadership has not even tried to rein them in has provided an excuse for the warlords and for local and quasi-private companies to continue to gun for double-digit growth.

Thirdly, there is also dissension among the "fire fighters" on how to cool down the economy. During the late March meeting, for example, a ferocious debate broke out between Mr Li and Mr Zhu on whether the interest rate should be raised.

While Mr Zhu supported the move as the only means to stop money from being taken out of the banks, Mr Li wanted the rates to stay put in the interest of bailing out state enterprises. The former apparently took advantage of the premier's heart problems to ram through his policy.

Insiders said, however, that the leadership had since early this month again been bogged down with arguments on whether the rates should be raised a second time.

Given such constraints, it is little wonder quite a few of the fiat that Beijing has been trying to reinstate seem to lack teeth. For example, while the central government has asked localities to cut down on capital construction, it has indicated that exceptions can be made for projects that are highly efficient or that will bring in foreign exchange.

And of course, local authorities have considerable leeway in determining which economic units have satisfied these criteria.

'Special Team' Drafts Document

HK2406042493 Hong Kong THE STANDARD in English 24 Jun 93 p 5

[By Agnes Cheung]

[Text] A special team is drafting a document for the Communist Party's Central Committee third plenum to tackle crucial issues in building China's socialist market economy, source said. Titled "On Several Questions on the Establishment of the Socialist Market Economic System", the document is expected to spell out research results and methods to tackle the problems of constructing the new system.

The team, responsible to the party's General Secretary Jiang Zemin and Vice-Premier Zhu Rongji, has members seconded from departments and institutions including the State Commission for Restructuring the Economy, and the State Council's Research Office and

Development Research Centre. Sources said Vice-Premier Zou Jiahua and State Planning Commission head Chen Jinhua took charge of the team's actual drafting work.

"Jiang told the economic seminar of officials from six provinces and one municipality in eastern China late last month that the third plenum should discuss the questions of building a socialist market economic system," a source said. "The party boss noted that it would be an important contribution of the party to the country if those questions could be studied and solved by the end of the century."

Regional authorities were also called on to report to the central authorities about good experiences in developing the new system and tackling the problems. Sources said that as the central document was not yet completed, it was unlikely that the third plenum could be held late this month or early next month. The plenum was originally planned for December to coincide with the 15th anniversary of the landmark third plenum of the 11th Party Central Committee, sources noted.

"It was initially scheduled that the drafted document would be finished by September for consultation and discussions so that it could be endorsed in the December plenum," a source said. "But due to the current economic situation and the problems...the authorities are considering holding the plenum on an earlier date."

Sources added that Jiang and Zhu shared similar views for solving the present economic problems in the country and anticipate less heated arguments between the top leaders over the issue.

"A main problem now lies on the lack of finance in the central government, while not many regional authorities are willing to give their share to support the central authorities," a source said. The source cited Shanghai as an example of a regional authority refusing to contribute to assist the central government's finances.

Police 'Cover Up' 'Brutal Crackdown' on Church

HK2406044893 Hong Kong SOUTH CHINA
MORNING POST in English 24 Jun 93 p 6

[By Daniel Kwan]

[Text] Shaanxi Christians detained by police since last March have been freed after paying fines of 500 to 700 yuan (HK\$670 to HK\$940) to the authorities, according to church sources in Hong Kong. The group was rounded up by Public Security officials from Taoyuan Village in Xunyang county in an alleged attempt by the authorities to cover up a brutal crackdown of an underground church meeting that left a 22-year-old farmer dead. Lai Manping was reportedly beaten to death by policemen, but the authorities claim he died of illness.

Local church sources said two Christians were still behind bars. It was not clear if they would face charges. But the authorities did not explain to those seized why they were detained.

Despite the releases, church sources said the situation remained "very tense" in Taoyuan and unconfirmed reports said armed conflicts had erupted between various religious groups and the authorities.

Police from Taoyuan earlier detained about 30 Christians on March 27 and accused them of illegal assembly. According to reports, the policemen attacked, tortured, handcuffed and physically abused them. After eight days of detention, Lai was found dead by his family on a road leading from the police station to his home. To cover up the incident police rounded up another 60 Christians who knew about the arrests.

The London-based human rights watchdog Amnesty International issued a statement early this week calling for further investigation of the incident. The statement said that despite earlier reports by the foreign press, Chinese authorities had denied persecuting Christians in Taoyuan.

Chinese diplomats in Europe recently said that Lai had travelled to Taoyuan on March 27 with "two accomplices" in an attempt to "disturb public order by organizing an illegal meeting." The diplomats also claimed that the three were stopped by the police but their "unlawful" activities had enraged the local people, who beat Lai up "with bamboo sticks" leaving him "slightly injured on his back". The diplomats said Lai died of a "heart attack brought on by a lung ailment".

"The investigation of the incident has established that Lai Manping was not a Christian," the diplomats said, according to Amnesty International. A local church official referring to the diplomats' remarks said: "It seems to me that this is not a denial but an indirect confirmation of the crackdown. It has many more details of the crackdown that were not mentioned in the earlier reports."

Bomb Part of 'Antigovernment Attack' in Xinjiang

OW2406074893 Tokyo KYODO in English 0736 GMT
24 Jun 93

[Text] Beijing, June 24 KYODO—A bomb ripped a huge hole in a Kashgar city government building in the remote western Chinese Xinjiang Uygur Autonomous Region last week, in what was believed to be an antigovernment attack, sources said Thursday [24 June].

The bomb, which exploded around 4 P.M. on June 17, killed and wounded up to 10 people, the sources in the city of Kashgar said.

According to local Chinese sources, the four-story building belonged to the city municipal government and housed the offices of the agricultural machinery division.

Public Security Bureau forces have already arrested one person allegedly involved in the bombing and are continuing their investigations, they said.

The sources said that the bombing could be related to antigovernment sentiments in the region, which is a predominantly Muslim-minority, non-Han, area of China.

Minority peoples often take to the street to express their antigovernment feelings, the sources claimed, adding that peasants have recently been dissatisfied with the government's tax policy.

An officer of the foreign affairs department of the Kashgar city government confirmed that the incident took place, but refused to answer journalist's [as received] questions.

"The incident is still under investigation, so we are unable to comment at this time," he said.

The building, located in downtown Kashgar, is across the street from the Seman Guesthouse, a hotel popular with Western tourists.

Sources said that the bomb was placed on the third floor of the building, next to the offices of a private company involved in the purchase and sale of agricultural machinery.

The company is owned by the city government.

According to Japanese tourists in Kashgar, the building is severely damaged with a V-shaped hole, nearly 20 meters across the top, blown out of the building.

Employees at the Seman Guesthouse estimated that between two and five people were killed in the blast.

Kashgar is close to the border of Pakistan and several former Soviet republics.

Peasants, predominantly Muslim, mainly depend on farming and sheep-rearing for their livelihood.

In late May, citizens in Lhasa, the capital of the Tibet, rioted over price rises, while other such incidents have reportedly occurred in Sichuan, Hunan, Henan and Jinan provinces.

Commentator Urges Stability, Unity in Tibet

OW2406095693 Lhasa XIZANG RIBAO in Chinese 7 Jun 93 p 1

[Article by unidentified XIZANG RIBAO commentator: "Safeguard a Political Situation of Stability and Unity"]

[Text] Tibet's social development, deepening of reform and opening up, economic prosperity, and improvement of people's living conditions all require a stable political and social environment. Therefore, people in the whole autonomous region, from the top to the grass-roots level, must unite as one, work with concerted efforts, and

resolutely safeguard a political situation of stability and unity. This concerns the fundamental interests of cadres and masses of various nationalities in this region and is also our common responsibility and duty.

Since the publication of Comrade Deng Xiaoping's important talks made during his southern inspection tour early last year and the convocation of the 14th CPC National Congress, the broad masses of party members, cadres, and people of various nationalities in this region have consciously emancipated their minds, heightened their spirit, and seized the good opportunity to accelerate development and promote development of the economy in this region to a new high level. The political situation in the whole region has been further stabilized, a breakthrough has been achieved in carrying out reform and opening up, and the pace of the modernization drive has been significantly stepped up. These are the results of seriously implementing Comrade Deng Xiaoping's important talks made during his southern inspection tour and the guidelines of the 14th CPC National Congress and joint efforts and hard work by party and government organizations at various levels in this region as well as the broad masses of people. We should cherish this hard-earned good situation, continue our efforts, advance from victory to victory, and further consolidate and development the good situation of political stability and economic development in this region.

However, we should also soberly see that the struggle between separatists and antiseperatists will be a protracted, sharp, and complicated one. The Dalai Lama clique has relied on the international reactionary forces to continuously carry out their separatist activities for "Tibet's independence." They have constantly changed tactics, adopted some new plots and means, collaborated with separatists elements within the region, used some hot issues in the society to instigate the masses in an attempt to stir up trouble and sabotage the unity of various nationalities and the unification of the motherland, and tried to undermine the peaceful and happy life of people of various nationalities in Tibet. Therefore, we must never lower our guard and must never lower our vigilance.

The stability of the political and social situation is an important precondition for carrying out reform, opening up, and promoting economic development. Only under the situation of a stable political and social environment can we take advantage of the favorable international and domestic situation and seize the opportunity to effectively promote various reform measures, concentrate our efforts in the modernization drive, and guarantee Tibet's economic development and people's well-being. If we cannot have political stability and if the society is unstable, how can we talk about carrying out reform, opening up, and promoting economic development? How can we promote the prosperity and happiness of people of various nationalities in the whole region? The reasons are very simple. We cannot possibly do construction work when there is an "earthquake!" Therefore, we must adhere to the four cardinal principles, resolutely

eliminate all unstable factors, and safeguard a political situation of stability and unity. At the same time, reform, opening up, and economic development constitute the foundation of political and social stability. Only by unswervingly pushing forward reform and opening up, developing the economy better and faster, and constantly improving the people's material and cultural life can we fundamentally strengthen and develop unity and stability. If we do not uphold economic construction as our central task and carry out the policy of reform and opening up, our economy will not be able to develop, and unity and stability will not be strengthened. We must correctly understand and handle the dialectical relationship between stabilizing the situation and reform and development, uphold the strategic policy of "grasping two links at the same time," and more successfully promote our region's stability and economic development.

At present, stabilizing the situation is our predominant task. We must safeguard stability with a view to protecting the overall interests. The deepening of reform and opening up will inevitably lead to the readjustment of the rights and interests of some localities, departments, and units. Under these circumstances, we should take the general situation into consideration, proceed from our overall interests, and adopt an overall point of view. We must realize that the goal of reform is to fully arouse the people's initiative and greatly liberate and develop the social productive forces to bring more tangible benefits to the masses. When a reform measure is adopted, the immediate interests of some people may be temporarily affected at the beginning. However, as the reform is carried out, productive forces will develop and products will become more abundant, which will ultimately benefit the masses themselves. Thus, reform is in the fundamental interest of the people of all nationalities in the region. In the process of reform, we must conduct an in-depth, meticulous ideological-political work among the masses, clearly explain to them the advantages and disadvantages of reform, alleviate contradictions, and solve the problems at the grass-roots level before they mushroom. We must do so to encourage the masses to foster the concept of subordinating their interests to the overall interests, to enlarge their vision, to set store by the overall interests, to adopt a correct attitude toward advantages and disadvantages, to enhance their tolerance of reforms, to act as models in safeguarding stability and unity, and to promote reform and opening to the outside world.

To safeguard the political situation of stability and unity, we must have a comprehensive program to improve social order, resolutely crackdown on the criminal activities of the separatists, and resolutely crackdown on law-breaking criminal activities of all types to create a good environment for reform, opening up, and economic development. Taking advantage of our temporary problems in reform, a small number of separatists and people with ulterior motives have been spreading rumors to confuse people in a deliberate attempt to create incidents. We must resolutely expose their attempts, deal

resolute blows to the separatists, and handle incidents firmly and decisively. We must never allow them to succeed in their criminal schemes. We should mobilize the masses on a large scale and rely on them in adopting a comprehensive method of improving social order. In doing this, we must give equal importance to cracking down on crime and to prevention, pay attention to the root cause of the problem, deal resolute blows to all criminal activities, and wipe out all factors unfavorable to stability to ensure the smooth progress of reform and opening to the outside world.

All departments and units must, in accordance with the unified plan of the regional party committee and regional people's government for stabilizing the situation, work actively, earnestly carry out crime-prevention measures, and be prepared at all times to root out factors leading to instability. People of all nationalities in our region should heighten their vigilance, distinguish between right and wrong, be clear-cut in their stance, unite closely, heighten their skills and consciousness in safeguarding stability and in opposing the separatists, promptly expose the conspiracies of separatists, and struggle resolutely against all words and deeds that are harmful to stability.

We are convinced that so long as the cadres and the masses in the region are truly united and make concerted efforts, no matter what tricks and cunning schemes the handful of separatists resort to and no matter what schemes and methods they adopt to carry out sabotage and create disturbances, we will be, at all times, able to deal them destructive blows firmly and resolutely, thereby making new contributions to improving stability and ensuring the smooth progress of reform, opening up, and the modernization drive in our region.

Daily Urges Journalists To Follow Party Spirit

OW 2106153193 Beijing ZHONGGUO JIZHE in
Chinese No 5, 15 May 93 pp 14-16

[Article by Lin Feng (2651 2800): "Adhere To the Principle of Party Spirit in Journalism Under the Conditions of Market Economy"]

[Text] The nation's journalistic circles were presented with new problems with the convening of the 14th CPC Congress, particularly with the decision to establish a socialist market economic system. One of the important questions is: How is one to adhere to the principle of proletarian party spirit in journalism under the conditions of a market economy?

The principle of party spirit in journalism is a comprehensive view of the Communist Party of China in view of the status, nature, and functions of journalism. The party regards journalism as a major part of the socialist cause under its leadership and wants journalism to mirror the world; influence the world; become the eyes, ears, and mouthpiece of the party, government, and people; and serve the people and socialism.

Over past 70 years or so since the CPC entered the political arena, it has always treated the principle of party spirit, which was specifically proposed by Lenin, as a fundamental principle and guiding policy for the cause of proletarian and socialist journalism. Presently, the nation's reform, opening up, and modernization construction have entered a new development stage. Is it still necessary to adhere to the principle of party spirit in journalism under the conditions of a market economy; and if so, how does one adhere to it? Comrade Ding Guangren, member of the CPC Central Committee Political Bureau and head of the Propaganda Department under the CPC Central Committee, gave a positive and specific reply in this regard in his recent speech published by RENMIN RIBAO.

Before wading into the issue of upholding the principle of party spirit under the conditions of a market economy, we need first to clear up some theories on journalism that have been much discussed lately.

Newspapers Have Attributes of Commodities; but the Commodity Nature Is Not the Basic Attribute of Newspapers

Modern newspapers that made their first appearances in Europe were the products of a capitalist market economy. Those newspapers—which were adapted to social needs, mainly to the requirements of capitalists who wanted to be informed in a timely fashion of production and marketing news of commodities and of the latest economic, political, and cultural information—had commodity attributes. They were sold as commodities to the readers via the market. Newspapers, however, as spiritual products, possess other attributes, such as a political nature, in addition to their commodity nature. In a sense, being a mouthpiece is their basic attribute. This is because news—the major feature of the newspapers—is the factual reporting of breaking events, or it may be said that newspapers transmit information that is of journalistic value. News agencies with different positions and views tend to manifest different tendencies in their selections of facts, preparation of articles, and news dissemination. In a class society, news tendencies are chiefly manifested as of a class nature, partisan and factional nature, and political nature. Every class, group, and political party—particularly classes, groups, and political parties in dominant positions—will resort to overt or covert, direct or indirect means to influence and even control the newspapers, with a view to putting across their views, voicing their stance, spreading public opinions that are favorable to them, and protecting their own interests in news reporting. In short, they want newspapers to serve as mouthpieces.

Newspapers, as spiritual products, also want to exert a subtle influence on people's ways of thinking and behaving and to aim the development of the objective world in a direction they think is correct and favorable to themselves, in addition to disseminating news to satisfy and adapt to the certain needs of the people. This shows that news and newspapers not only have news value but

also propaganda value; they not only have to reflect public opinion but also to guide public opinion; they not only report events in the world but also want to influence the world. Among these, news value is the foundation, propaganda value is the necessary condition, reflecting public opinion and reporting world events constitute the means, and guiding public opinion and influencing the world constitute the end.

Newspapers, a special kind of intellectual product with many attributes, mainly serve as a mouthpiece. This is an inevitable phenomenon in the development of journalistic activities. This fact is true whether or not journalists perceive or acknowledge it. Some Western journalistic theorists maintain that "in return for the money you pay, journalism tells you what you do not know." In his "Theory of Journalism" published in 1924, Casper Yoster [name as published], chairman of the U.S. Association for Newspaper Editors, said that, far from being a simple productive enterprise, newspapers mainly serve to expound certain theories, support certain principles, accomplish certain public service, or meet the need of certain categories of people. Early in 1921, Lenin made a brilliant exposition of the attributes and functions of capitalist newspapers. He said: "Capitalism turns newspapers into capitalist enterprises, into a tool for the rich to earn money, into a tool for diffusing information and entertaining, and into a tool for cheating and fooling the laboring masses. (*On the Work of the Committee for Educating the People*, p. 120 of Volume 32 of the *Complete Works of Lenin*)

As having been proved by a host of facts over so many years, the news media—such as news agencies, radio stations, and television stations, which all appeared after newspapers and news magazines—are also mouthpieces in that they disseminate news. However, it will be more complicated to determine whether they have a commodity attribute. Generally speaking, their commodity attribute is not as conspicuous as that of newspapers. One has to pay for the use of a news agency manuscript. In most cases, one does not have to pay for programs provided by radio stations or TV stations.

Proletarian newspapers came into being amid class struggles. Friedrich Engels treated the NEW RHINE NEWSPAPER, the publication supervised by Marx, as a banner and ideological bastion of the proletariat and as a mouthpiece for the liberation movement of the proletariat. Of course, as an intellectual product, proletarian newspapers are also sold in the market. Both in its revolutionary period and socialist construction period, the CPC has treated the press that diffuses news to meet the needs of society as the ear, eye, and mouthpiece of the party, government, and people. In China, one has to pay for newspapers one subscribes to. Except for cable television service, one does not have to pay for radio and TV programs received in this country.

In New China's press annals, a tendency of neglecting and negating the commodity attribute of newspapers did occur. Under the current condition of a socialist market

economy, we should further make clear the commodity attribute of newspapers, improve their operation and management, pay attention to economic results, meet the needs of society, and actively carry out reform of the press. However, while stressing the commodity attribute of newspapers, we should never neglect other attributes of newspapers, especially their mouthpiece attribute. We should correctly handle the relations between the commodity attribute and the mouthpiece attribute so as to ensure that the reform of the press will march along a correct road. If we solely consider newspapers as a commodity and, therefore, want them to operate according to the commodity rule, then how can they embody the principle of proletarian party spirit? If we do, the reform of the socialist press will be distorted beyond recognition.

Journalistic Undertakings Should Stress Economic Results, and Economic Results Must Serve Social Results

Journalistic enterprises, which need much money to operate, should be particular with operations and management and attach importance to economic results so reliable material conditions can be created for journalistic development. Journalistic enterprises' preferences, political characteristics, attributes as mouthpieces, propaganda functions, and guidance functions determine that they must give top priority to social results and strive to achieve unity between social results and economic results.

In capitalist societies, journalistic enterprises are mostly privately owned and have to close or replace their owners if they operate in the red. Journalistic enterprises in China are publicly owned, and their budgets have long been appropriated by the state. Ever since the country embarked on reform and opening up to the outside world, an increasing number of journalistic enterprises have been able to support themselves financially, but still very few of them can obtain a surplus. Under the conditions of market economy, journalistic enterprises in China must improve their operations and management, diversify their operations, adapt to market competition, and, under the premise of adhering to the correct course for journalism, gradually eliminate their deficits, support themselves with some surpluses, and then become financially strong. While we should make money, we must also guard against the misconception that "money is everything," and we must not do anything just for the sake of money.

How to properly handle the relationship between economic results and social results is a difficult problem for journalistic enterprises. These two sometimes coincide, but sometimes they do not. Therefore, journalistic enterprises must achieve economic results on the premise of ensuring social results.

"Compensatory journalism" is a phenomenon that has never emerged in our country's press circles until recent

years. One of the important expressions of this phenomenon is the sale of newspaper space and broadcast air time. This means that whether a news report is true or false, is good or bad, is newsworthy or not, or has propaganda value or not, it will be reported and endorsed as long as it is paid for, and the more money you pay, the larger paper space and longer air time you will be allotted. This has blurred the difference between news reports and advertisements; undermined the principle that journalism must be truthful, must display party spirit, and must be newsworthy; destroyed journalism's image of objectivity and fairness; violated journalists' professional ethics; and runs counter to journalism's fundamental aim of serving the people and socialism.

Although there are only a few cases of "compensatory journalism," their influence is extremely bad. Some people at home now say that certain news reports that newspapers have published and television stations have aired are unbelievable because their publishing space and air time are purchased with money. However, some people feel that "compensatory journalism" is an inevitable product of the market economy. This is a misunderstanding created by misconceptions about press reform. In his "Speech at the National CPC Conference of Party Delegates" back on 23 September 1985, Comrade Deng Xiaoping clearly pointed out: "Ideological, cultural, educational, and public health departments must regard social results as the only guiding principle for all their activities; and enterprises under them must also regard social results as their highest guiding principle. Ideological and cultural circles must produce more spiritual products of good quality and resolutely stop producing, importing, and circulating bad products." In his speech published by RENMIN RIBAO, Comrade Ding Guangen pointed out: "During the course of press reform, the press should pay attention to correctly handling the relationship between social results and economic results. While newspapers, radio and television stations, and news agencies have to underscore economic returns, they must give top priority to social results and do an even better job in achieving unity between economic results and social results. As the party's mouthpieces, party papers must display party spirit and they must be authoritative. By no means should they lower their standards for the sake of money."

Some people in our trade, who do not have favorable opinions about "paid journalism," are unable to come up with proper solutions to economic problems existing in the trade. The key to resolving economic problems troubling press circles lies in engaging in diverse economic projects to open a great source of wealth while making a success of journalism. First, we should do a good job in advertising. The price of a newspaper in China or in foreign countries is usually lower than its cost; this is different from the principle of equal exchange governing other commodities. Advertisement fees constitute a major source of income for newspapers, broadcast stations, and television stations. Advertising revenues for press outlets in China are also increasing

every year. Under the market economy, we will witness rapid growth in advertising business. In terms of advertising, the press should pay attention to the following problems: There should be strict distinction made between news and advertisement and between those who engage in reporting and editing and those who handle advertising business; for press outlets in socialist China, news propaganda comes first, while advertisement-based propaganda comes second; the media's primary and secondary functions should not be reversed; we should not allow the secondary to supersede the primary. Therefore, it is not proper to encourage the practice of running full-page advertisements on the front pages of newspapers. In advertising, we should adopt a realistic approach and pay attention to refined tastes. We should not run advertisements that carry bombastic, irresponsible, or distasteful messages.

Tapping information resources, particularly providing economic information other than news items to serve the market economy, is an effective way to increase income for the press. The UK's REUTERS has achieved marked results in this respect. In addition, the press could engage in diverse economic undertakings other than in the field of news and information. Some press organizations in Guangzhou and Shanghai have achieved initial results in this aspect.

We Should Reform the Press To Meet the Need of the Market Economy, but We Should Not Indiscriminately Copy Economic Reform Measures

Present and future press reform should meet the needs of the market economy because the 14th National CPC Congress has defined the establishment of a socialist market economy as China's goal of restructuring its economic system. This is a fundamental change from the planning economy that had existed for a long time in the past. The market economy is designed to let the market play a basic role in allocating resources under the state's macroeconomic control, subject economic activities to the law of value, and enable such activities to adapt themselves to fluctuations in supply and demand, thus applying the principle of survival of the fittest through the mechanisms of price leverages and competition. Central to the establishment of market mechanisms is changing the operating mechanisms of state-owned enterprises, particularly large and medium-sized enterprises, and turning these enterprises into true legal entities that have decision-making powers and are responsible for their own profits, losses, expansion, and restriction, as well as into main market competitors that are responsible for maintaining and increasing the value of state-owned assets.

Such major changes in economic operating mechanisms have led to changes in the content of news reporting, which in turn has caused corresponding changes in news reporting formats and journalistic concepts. For example, in a market economy, the bulk of news reporting comes from economic news, most of which is

derived from the market. Such a shift requires journalists to change their news coverage style: Instead of spending most of their time covering government news, they should concentrate on gathering news on the market. Meanwhile, they should change some aspects of their reporting thinking, structure, and style that are not in line with the market economy.

The establishment and development of a socialist market economy has brought about new vitality and opportunities for journalistic work. Press reform should meet the needs of the market economy. In reforming the press, however, we should not indiscriminately copy economic reform measures. We should not conduct press reform in accordance with market rules.

The market economy falls in the realm of economic foundations, while journalist work falls in the domain of ideology and superstructure. The market economy is mainly governed by the law of value, while the party spirit serves as the fundamental principle governing journalistic work. Economic and journalistic work is guided by different objective rules. Therefore, in conducting press reform, we should not indiscriminately copy measures adopted in economic reform. In reforming the press, we can borrow and absorb some ways of thinking and measures used in economic reform, but we should never substitute the principle based on the proletarian party spirit in journalist work with the rules of the market economy.

When we say that press reform should meet the needs of the market economy, we mean the relations between press reform and the market economy. As a matter of fact, press reform should also meet the needs of developing the economy, opening to the outside world, conducting political reform, promoting spiritual civilization, fostering democracy and building a legal system, modernizing national defense, conducting diplomatic activities, and implementing the principle of "one country and two systems." In short, press reform should meet the needs of the theory and practice of building socialism with Chinese characteristics, and should serve the party by following its basic line. In the final analysis, press reform should be beneficial to reflecting and promoting the cause of building socialism with Chinese characteristics, and to developing and perfecting socialist journalism with Chinese characteristics. This also serves as a goal and model for press reform.

To achieve this goal, we should try our best to adapt ourselves to the new situation in China and in the world. We should also better understand the characteristics and objective rules of journalistic activities in socialist China, the most important point of which is upholding the principle of the party spirit. This principle is not a product of the planning economy that came into being after socialist reform was basically completed in the mid-1950's. The principle of the party spirit, born of Marxist-Leninist journalistic theory, has always been a proposition of the CPC and a fine tradition of China's revolutionary journalism. If China wants to adhere to the Four

Cardinal Principles and follow the road of socialism with Chinese characteristics, it has no choice but to uphold the principle of the party spirit.

In the socialist market economy, press reform and journalist work face many new situations and problems that require active explorations and efforts on our part to abolish the old system in favor of a new one. We should, however, recognize that it is still important to inherit and carry forward the fine tradition of the party's journalist work centered on the principle of the party spirit. The fine tradition of journalist work formed during the protracted course of revolution and construction is a precious spiritual treasure in that it represents to a great extent the intrinsic nature of socialist journalism. The task of studying the new situation and carrying forward the fine tradition is indispensable for building socialist journalism with Chinese characteristics. Therefore, we should perform this task efficiently.

Once we have acquired an overall understanding of the aforesaid questions of journalistic theory that have attracted public concern, we would have basically resolved the issue of whether to uphold the principle of the party spirit in journalism in the market economy. It will then be easier to discuss the issue of how to uphold the principle of the party spirit.

Adhere to the Course of Serving the People and Socialism Under the Guidance of the Theory of Building Socialism With Chinese Characteristics

In his RENMIN RIBAO speech, Comrade Ding Guangen correctly expounded on the way journalism should demonstrate the party spirit.

He said: "Journalistic propaganda constitutes an important part of the party cause. Serving the people and socialism under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the basic requirement that the party set for journalistic propaganda; it has collectively shown that journalistic propaganda has demonstrated its party spirit and that it is politically united with the party Central Committee during the new period; and it is the most important and most essential requirement for successful journalistic propaganda. If we firmly grasp this requirement, we will be able to follow the correct direction and do an even better job in mobilizing, guiding, rallying, and arousing the people to work hard to build socialism with Chinese characteristics.

"The 14th CPC National Congress clearly stated the need to arm the whole party with the theory of building socialism with Chinese characteristics. Our journalists must consider publicizing this theory as their most important task."

Ding Guangen added: The party's basic line, formed under the guidance of the theory of building socialism with Chinese characteristics, represents the Chinese people's fundamental interests. "To serve the people and socialism, journalistic propaganda must uphold the

party's basic line without wavering." Journalistic propaganda must obey and serve economic construction, which is the central task. Meanwhile, it should expedite economic development and social progress in all fields by doing a good job in publicizing the four cardinal principles, reform and opening endeavors, and material and spiritual construction.

Ding Guangen stressed: "Under the new situation marked by accelerated reform, opening up, and socialist market economic development, the masses have to express their new wishes, satisfy their new needs, solve their new problems, and sum up their new innovations. People engaged in journalistic propaganda should therefore heighten their awareness of serving the people and promptly inform the masses about the party's principles, policies, and decisions so as to help the people change their viewpoints and mindsets, understand the information and new knowledge, and guide the people to establish a correct outlook on life and concept of values. They must reflect the masses' wishes, opinions, and requests and report the fervent activities of people dedicated to economic construction and reform. While the masses generate information, they also need information themselves; and while journalism serves the masses, it also guides the masses." (ZHONGGUO JIZHE No 3, 1993)

The party's basic line for the initial stage of socialism was acknowledged by the First Session of the Seventh National People's Congress [NPC] in 1988. The recent First Session of the Eighth National People's Congress amended the constitution and decided that the country's fundamental task was one of concentrating efforts on socialist modernization on the basis of the theory of building socialism with Chinese characteristics. This has turned Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the party's basic line, and guidelines for the 14th CPC National Congress into the will of the state. The guidelines of Comrade Ding Guangen's speech are identical with the NPC's major decisions.

Go Deep Into the Market, Stand Above the Market, Reflect the Market Situation, and Provide the Market With Guidance

The establishment and development of our socialist market economy, the continuous appearance of new situations and new things, and the colorful social lives have provided a good foundation for enriching information and broadening coverage. Meanwhile, since the socialist market economy is a new development, our journalists must go through the process of understanding and knowing it before their reporting can gradually meet the market economy's needs.

"Under market economic conditions, journalism must have market access, and it must meet market needs and serve the market; however, it must also stand above the market, correctly reflect market situations, and provide the market with guidance in accordance with the party's line and principle." This passage, quoted from Comrade

Guo Chaoren's article, "The Pondering of Several Issues About the Work of News Agencies Under the New Situation" (ZHONGGUO JIZHE No. 4, 1993), merits great attention. Under the new situation created by the market economy, journalists should be the first to enter the market and understand its situation. This is the basic requirement for successful reporting. Instead of stopping there, however, journalists should also transcend the market and stand above it. To be able to accurately reflect the market situation and give it guidance, they should also analyze the market's actual situation on the basis of the theory of building socialism with Chinese characteristics as well as the party's line, principles, and policies. Of these requirements, gaining market access and standing above the market to reflect and guide the market are materialist dialectical requirements that are interrelated, and neither is dispensable. This is an important way for journalism to demonstrate the party spirit under the new situation, and only by doing this can journalism effectively serve the establishment and development of the socialist market economy.

Commentator on 'Guiding' Peasants to Markets

HK2406070893 Beijing JINGJI RIBAO in Chinese 18 Jun 93 p 1

[Article by JINGJI RIBAO commentator: "Peasants Need Services the Most"]

[Text] The gradual establishment of the socialist market economy has begun to change the pattern of agriculture and the pattern of peasants' production and business operation from traditional farming, mainly aimed at achieving food self-efficiency, to market-oriented farming, aimed at making good profits. The economic value of all farm produce will be found through the market. At the current stage, agriculture in our country remains in a situation characterized by small-scale production and a large market. Since the production responsibility system based on household output contracts was adopted for more than 200 million peasant households, peasants have indeed had greater decision-making power in the fields of production and circulation. However, the broad masses of rural cadres and peasants have lived under the rural planned economy for nearly 40 years, and they would feel somewhat "at a loss" when being suddenly pushed into the market. They may worry how to arrange crops, how to sell their products, and whether their production is profitable. They may not be certain of all such things. According to a survey of peasants' mentality in Jiangsu, 70 percent of the peasants feared that they had no access to market information and did not know what to plant; 45 percent of the peasants feared that they would not be able to sell the grain they produced; and 75 percent of the peasants feared that prices of industrial goods would continue to increase. All this shows that peasants need services and help in order to enter the market.

It should be noted that people now often talk about "pushing peasants into the market." There is something

wrong with such a proposition, because it sounds like we need not take care of peasants any more after pushing them into the market. It is better to change the phrase into "guiding peasants into the market." That is, we should not arbitrarily drag or push them, but should patiently give guidance and assistance and also bring their own initiative into play so that they will actively, rather than passively, link their production with the market. Our task is mainly to create benign circumstances and conditions for them and to help them effect changes in their mentality and production pattern. However, we cannot merely rely on giving lectures and holding meetings every day to spread the basic knowledge about the market economy. Instead, education should be linked with routine production, economic activities, recreational, and other social activities so that peasants can gain better understanding and more willingly step into the market economy.

As for the method of guidance, we certainly cannot rely on administrative orders; instead, we should more rely on policies and various economic means to guide peasants in orienting their production to market development. Thus, the state's overall targets will be turned into peasants' conscious actions. The governments and the agriculture and technology departments in various localities should also learn how to guide agricultural production through providing services for peasants, and should establish a service system and an regulatory system suited to the needs of the market economy as soon as possible in order to provide information and technical, purchasing, and marketing services. Only thus can they effectively guide peasants to free their hands and swim smoothly in the seas of the market economy.

The work of guiding peasants into the market also includes the adjustment and development of the market structure. It should be noted that the structural adjustment can never be interpreted as reducing the area sown with grain crops. It is necessary to adjust the crop structure and it is also important to adjust the quality structure of the crops. Such adjustment is a good method of enhancing the economic efficiency of grain production. As we all know, at present, people find that whatever products they produce are apt to become overproduced and production is apt to become unprofitable. This is not merely caused by the clogs in the circulation system. In fact, this is related to a deeper-level factor of the quality structure of the farm produce being unsuited to the market. The quality of farm produce is the result of the market selection. Therefore, it is necessary to stress the adjustment of the crop structure, and it is also necessary to stress the adjustment of the quality structure of the farm produce. Anyway, we should never try to reduce the area sown with grain crops.

As for the construction of the market system, at present, we urgently need a well-established elementary market, specialized market, wholesale market, futures market, financial market, technology market, labor and service market, and information. Only with all such carriers for peasants to enter the market economy can peasants gain

accurate market information through various channels. In a sense, this is also a necessary guide for peasants to enter the market economy.

We should note that guiding peasants into the market is not as simple as spring planting and autumn harvest. This is a complicated comprehensive project and is also a profound change in the agricultural operation system. We cannot expect that this will be accomplished overnight. This not only needs the art of leadership and the comprehensive enhancement of peasants' quality, but also needs the warm care and support from all departments concerned and all sectors of society.

State Pledges To Eliminate Illiteracy by 2000

OW2306093993 Beijing XINHUA in English 0851
GMT 23 Jun 93

[Text] Shenyang, June 23 (XINHUA)—China has pledged to try to teach all its adults to read and write by the turn of the century, according to an international symposium on education of grown-ups recently held in Shenyang, capital of Liaoning Province.

Over the past two years, China has intensified its efforts to wipe out illiteracy in rural areas, which is seen by people as the second war against the phenomenon since the People's Republic was founded in 1949.

Before 1949, 80 percent of Chinese were illiterate, and the large-scale anti-illiteracy campaign launched in the '50s and '60s had almost stamped out illiteracy in cities.

The fourth national census conducted in 1990 shows the illiteracy rate was 15.88 percent of the total population, amounting to 180 million citizens.

The illiterates were mainly in the countryside, especially border regions, poverty-stricken places and areas of ethnic minority concentration.

Most of the illiterates can not handle their legal rights and bring up their children properly, while their living standards and health-care level have remained low, according to an official from the State Education Commission.

To attach greater importance to the matter, the State Council and many provincial people's congresses have issued regulations on anti-illiteracy work in the past few years, and meanwhile, more and more illiterates have attended training courses held to wipe out illiteracy.

Anti-illiteracy institutions have been set up in governments of all levels, while ten central departments have established a coordinating group to supervise the campaign.

To combine anti-illiteracy efforts with daily work, textbooks used for the purpose have included knowledge on legislative rules and state policies, environmental protection, family-planning, health-care and education.

In ethnic-populated areas, anti-illiteracy textbooks have been printed in ethnic minority languages.

In the meantime, over 420,000 training schools have been set up across the country to teach farmers technological and cultural knowledge, which is aimed at strengthening the achievements of the anti-illiteracy drive.

Thanks to the renewed efforts over the past two years, the number of illiterates has been decreasing by five million annually.

Over the past 44 years, a total of 185 million illiterates in China have acquired the basic ability to read and write, according to official statistics.

Tian Jiyun on Raising Standard of Living

HK2306050293 Hong Kong THE STANDARD in
English 23 Jun 93 p 5

[By Agnes Cheung]

[Text] The success of socialism in China relies on improving the standard of living, reformer leader Tian Jiyun says.

Tian, the first vice-chairman of the National People's Congress, said the development of socialism had much to do with the country's economic construction.

"For socialism to stand firm, it depends on increasing the national living standard. It will not work if we rely on the police and the army," Tian said.

Chinese sources said Tian made these remarks at a recent internal meeting of organizations under the legislature's standing committee.

The reformist leader cited the downfall of Romanian communist leader Nicolae Ceausescu, whom he called a "tyrant", to illustrate his remarks, sources said.

Although the police and military forces of Ceausescu were powerful, they were not able to protect him and subsequently he was overthrown by the people, Tian noted.

Tian also expressed concern over the many exorbitant taxes and levies on peasants, which had resulted in a number of incidents and revolts, mainly in provinces far from Beijing, such as Sichuan and Hunan.

Sources said Tian raised the issue of socialism's foothold, because some leftist leaders had been trying to stir up a new round of debate over what was socialist and what was capitalist.

Earlier, leftist leader Deng Liqun tried to mobilize the conservative camp to challenge Deng Xiaoping's economic reform and open door policy.

Tian, a top Chinese leader who had been considered an advocate for a market economy in China, had crossed swords a few times with the leftists.

In April last year, Tian told a training class at the Central Party School that a "special zone" should be set aside for those who called themselves orthodox Marxists and opposed reform, so that they could continue to lead the poor socialist life of the fifties.

Zou Jiahua Inspects Shandong Province

OW2306214093 Beijing XINHUA in English 1521
GMT 23 Jun 93

[Text] Jinan, June 23 (XINHUA)—Vice-Premier Zou Jiahua said recently that solving problems at deeper levels of economic development is vital to promote the healthy development of economic reforms and construction.

In a recent inspection tour of Shandong Province, Zou pointed out that accelerating communications construction is important in the development of the national economy.

He said that communications and transportation constitute an integral part of the socialist unified market and serve as main pillars in commodity circulation.

Zou noted that over the past few years, Shandong has devoted great efforts to the construction of highways, which has in turn benefited economic development.

After inspecting several large and medium-sized enterprises, he said that the transformation of business management mechanisms is vital to the establishment of a socialist market system.

Zou urged enterprises to be bold in finding solutions to new problems that crop up in economic development and correctly handle the relations between construction of facilities and development, and between the development rate and efficiency.

He noted that it is very important for the enterprises to develop new products featuring high and new technology.

Zou also visited economic and technological development zones in Qingdao, Yantai and Weihai.

He said that development zones should absorb more foreign funds and introduce advanced technology.

He urged Shandong to develop a tertiary industry and stressed fulfillment of contracts in using foreign funds in infrastructural construction.

Li Ruihuan Meets Mongolian Epic Translators

OW2306101793 Beijing XINHUA Domestic Service in Chinese 0717 GMT 10 Jun 93

[By reporter Gu Fenyong (6328 1164 0516)]

[Excerpt] Beijing, 10 Jun (XINHUA)—*Jiang Ge Er* [3068 2706 1422], one of China's three major epics, has finally been translated into Chinese in full. Today, the China Institute of *Jiang Ge Er* held a ceremony in Beijing to launch the Chinese version of the epic. Comrade Li Ruihuan recently met with the editors of the Chinese version. He congratulated the publication of the book and praised the editors for having accomplishing a significant task in promoting the fine culture of the Chinese nation. [Beijing XINHUA Domestic Service in Chinese at 0800 GMT on 10 Jun transmits a service message, requesting that the following sentence be added to the report: Buhe and Seypidin Aze attended the ceremony].

Jiang Ge Er is a legendary epic popular among the Mongolian people in China. It is of great significance for the study of ancient Mongolian society, history, philosophy, literature, religion and customs. [passage omitted]

Qiao Shi, Hu Jintao, Li Tieying Attend Funeral

OW2206151093 Beijing XINHUA Domestic Service in Chinese 1410 GMT 21 Jun 93

[Text] Beijing, 21 Jun (XINHUA)—The remains of Comrade Yang Hansheng [7122 5060 4563], an outstanding leader of China's literary and art circles and a famous artist, were cremated in Beijing today.

Qiao Shi, Hu Jintao, Li Tieying, Ren Jianxin, Lei Jieqiong, Wang Guangying, Cheng Siyuan, Buhe, Deng Zhaoxiang, Zhao Puchu, Hu Sheng, and others went to the Babaoshan Cemetery of Revolutionaries to memorialize Comrade Yang Hansheng today.

Some 1,000 people from all circles in the capital went to the cemetery today to bid farewell to this pioneer of China's new cultural movement. Ba Jin, Xia Yan, Bing Xin, Cao Yu, and other noted literary figures and artists laid bouquets before Yang's bier to express their grief.

Comrade Yang Hansheng began his revolutionary career at the age of 22 when he joined the China Socialist Youth Corps. For nearly 70 years since then, he dedicated all his efforts to the revolutionary cause of the party and cultural undertakings of the Chinese people. He died of illness in Beijing on 7 June at the age of 91.

XINHUA Correction on Li Lanqing in Henan

WA2306185293

Beijing XINHUA Domestic Service in Chinese at 1519 GMT on 16 June transmits a service message making the following correction to the item headlined "Li Lanqing Visits Henan, Addresses Reform," published in the 17 June China DAILY REPORT, page 15:

Column two, fourth full paragraph, third sentence, should read: ...should intensify the cultivation [pei yang 1014 7402] of socialism. Middle and primary.... (changing wording)

Military

PLA Troops Perform Drill With Civil Aircraft

HK2306132893 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1254 GMT 21 Jun 93

[Text] Beijing, 21 Jun (ZHONGGUO TONGXUN SHE)—China's troops airlifted infantrymen using civil aircraft in an aerial maneuver drill [kong zhong ji dong yan lian 4500 0022 2623 0520 3348 4886] for the first time in Shenyang a few days ago.

The drill was carried out at Shenyang's Taoxian Airport. As the drill began, two teams of armed soldiers, dressed in camouflage uniforms, fired signal flares and rushed from the "stand-by" area to civil aircraft positioned on the parking apron, which was 100 meters away. As they did this, the aircraft crew quickly opened the cabin doors and lowered the gangway ladders. In five minutes, the aircraft were in the sky.

Shenyang Military Region's mechanized infantry regiment took part in the drill. With the extensive use of high technology in modern warfare, it is imperative that China's troops learn how to perform safe, effective, and quick aerial maneuvers.

Military License Plate Change Under Way

HK2406042893 Hong Kong SOUTH CHINA
MORNING POST in English 24 Jun 93 p 6

[By John Kohut in Beijing]

[Text] China's military has nearly completed a change-over of vehicle licence plates which Western analysts say will make it more difficult for outsiders to track Chinese military movements.

During the 1989 Tiananmen crisis when troops were sent to Beijing from various parts of the country it was possible to identify the regional origin of a military unit by looking at the licence plates, which bore a letter from the Latin alphabet followed by a series of numbers. On the new licence plates the letters have been replaced by Chinese characters traditionally used for counting and known as the Heavenly Stems and the Earthly Branches.

The switch was announced in the official press in April and was supposed to be completed by the end of last month. However, in Xinjiang a traveller noted that some of the vehicles still carried the old licence plates, suggesting the work was not quite complete.

The LIBERATION DAILY said that the plate change was necessary "because there are a number of criminal elements who have made use of illegally obtained military licence plates for their unlawful activities". One effect of the switch is that non-military personnel will find it much harder to identify the origin and branch of service of military vehicles.

The characters for the traditional Chinese system were used until the mid-1980s, when the military began using the Latin alphabet. However, apart from the use of traditional characters, the new system appears to have little to do with the one used up until the mid-1980s.

A retired Chinese Army officer said that abuse and false registration of military licence plates was so wide-spread that the army had no choice but to eliminate the old plates. It is possible for non-military personnel to get hold of military identification—everything from identification cards to uniforms and licence plates. The Chinese media reported the case of a criminal gang in southwestern China which took military introduction letters, seals and identification cards to carry out a cigarette smuggling operation.

A military licence plate protects a vehicle from random police checks and thus helps smugglers carry out their trade without being detected. According to an official account, robbers used a stolen car with an air force number plate to make their getaway after stealing 69 antiques from the Kaifeng museum last year. It appears the new system is open to abuse, but at least the switch means the military has been able to start with a clean slate.

"Maybe this helps, but only for a short time," said one analyst. "Now if you see any plate under the old system it is obvious that the plate was falsely registered," said another analyst. "But the new system won't be fool-proof."

Another reason for the overhaul may have been that the military had outgrown the old plate system as the number of its vehicles increased. "The system was no longer open to expansion of the armed forces," said one analyst.

Army Officers Establish Enterprises in Dalian

SK2406012193 Shenyang LIAONING RIBAO in
Chinese 19 May 93 p 1

[By reporter Liu Zhenyuan (0491 6966 3293): "More than 50 Army Officers to be Transferred to Civilian Jobs Have Established Economic Entities"]

[Text] Dalian Hailong Industrial Development Company, an economic entity run by five Army officers who have been transferred to civilian jobs this year, was established on 12 May. By now, 52 Army officers who have been transferred to civilian jobs have established 28 economic entities in Dalian since the beginning of this year.

This year Dalian city has promulgated a series of policies to encourage Army officers who have been transferred to civilian jobs to run economic entities and clearly stipulated that beginning from the date when the newly established economic entities run by Army officers who have been transferred to civilian jobs begin business, one year of business tax and three years of income tax will be

exempted; when Army officers run this kind of economic entity, the department responsible for transferring Army officers to civilian jobs will retain their distribution and placement status.

The preferential policies are extremely attractive. Dalian Hailong Industrial Company jointly run by Ka Hengmei, chief of the management section of Dalian Naval Vessel Institute, and four other Army officers who have been transferred to civilian jobs is, so far, the biggest economic entity run by this kind of Army cadres in Liaoning Province. They have collected more than 10 million yuan for buying equipment and recruiting scores of technicians, management personnel, and service workers. This company will engage in earth and stone transportation. Their daring, ambition, and management level are highly praised by the Army and local authorities. They were named as a banner for Army officers who have been transferred to civilian jobs to run economic entities.

Economic & Agricultural

Daily Cit's Minister on Treasury Bond Sales

HK240613493 Beijing RENMIN RIBAO in Chinese
18 Jun 93 p 1

[Article by Finance Minister Liu Zhongli: "Four Problems in This Year's Treasury Bond Sales and Repayments"]

[Text] Selling state treasury bonds is an important measure taken by the state to speed up the construction of key projects, including energy, communications, and raw and semifinished materials. This year's sales have been planned at 30 billion yuan. Powerfully supported by regions, departments, and the masses, some provinces and regions have fulfilled or basically fulfilled their sales task, but so far as the entire country is concerned, the sales task still remains far from complete. The State Council recently issued a circular setting several demands on this year's state treasury bond sales and repayments. Here I would like to explain several questions of interest to various circles.

1. To ensure bonds holders' benefit, we will raise the interest rate on three-year state treasury bonds issued this year from 10 percent to 12.5 percent, and the interest rate on the 5-year state treasury bonds from 11 percent to 14.06 percent. These interest rates are already higher than bank deposit rates by 2 percent and are comparatively preferential. Not long ago, some regions sold treasury bonds without approval; this is illegal. Although the interest rates on these bonds are high, there are risks. In comparison, there are no risks in state treasury bonds because these bonds are guaranteed by government trust.

2. Some people said they wished to buy state treasury bonds, but could not. For this reason, we have asked financial and postal departments to provide more state

treasury bonds sales centers, and also urged all state treasury bonds sales organizations to sell these bonds to government departments, factories, mines, and institutions under local government leadership and to encourage the masses to buy these bonds. This will facilitate their purchase of state treasury bonds.

3. Some people said the face value of three-year state treasury bonds this year is too high, and so they are inconvenient to buy and sell. For this reason, we have introduced three measures: First, we have printed a batch of three-year state treasury bonds having a face value of 100 yuan and have transferred them to various localities. Second, substitutional certificates can be used when state treasury bonds with a low face value have not arrived at grass-roots sales centers, and when the low face value state treasury bonds do arrive, these substitutional certificates can be exchanged for them. Third, as there is an adequate amount of five-year state treasury bonds having a low face value, people can buy them as they like. If three-year bond holders wish to cash their bonds, they may do so at the interest rate for three-year state treasury bonds. If they do not wish to do so, they may wait until five years and have them cashed at the rate for five-year state treasury bonds.

4. To make things convenient for the people, the procedures for state treasury bond purchases and payments will be simplified. This year we will plan to provide a service for exchanging old state treasury bonds for new ones. In other words, before state treasury bond payments start this year, bond holders can use the state treasury bonds due this year to purchase new bonds.

Selling state treasury bonds to raise construction funds is something introduced by the state for the benefit of the people. In accordance with the State Council circular, all levels of the people's government should strengthen their leadership; conscientiously carry out propaganda, mobilization, and organization in bond-issuing work; fulfill this work well as a political task; and guarantee to fulfill the bond issue job as planned.

Commentator Urges Purchasing Bonds

HK2406143893 Beijing RENMIN RIBAO in Chinese
19 Jun 93 p 1

[Commentator's article: "Actively Subscribe to State Treasury Bonds To Support the Country's Economic Construction"]

[Text] The method of issuing state treasury bonds to raise economic construction funds is an important measure to expedite the construction of China's energy, transportation, telecommunications, and other key projects. In the early days following the founding of the PRC, the state introduced discounted government bonds for the people's victory which played an important role in New China's economic construction. Many veteran comrades still remember how enthusiastic and active the people were in subscribing to these bonds at that time. In 1981, the state began to reintroduce the method of

issuing state treasury bonds to raise economic construction funds, the purpose being to expedite the process of key construction projects, alleviate the restrictions resulting from the "bottleneck," and promote the steady and coordinated development of the national economy. In the past 12 years, various social circles and the masses have understood and supported this, and they have been active in buying state treasury bonds. They have made important contributions to China's modernization.

Ensuring the prompt supply of funds for key construction projects involves the overall situation of economic development. For this reason, the state has planned to issue 30 billion yuan of state treasury bonds this year for key construction projects. So far some regions have fulfilled or basically fulfilled their task, but viewed as whole, the process of issuance is not ideal. There are many reasons, including the influence of high interest bonds and the need to reform the capital accommodation market. A more important reason, however, is a lack of understanding and organization. All levels of party organizations and government departments should see to the issuance of state treasury bonds, carry out wide publicity and mobilization among the masses, proceed with all kinds of organizational and service work in a down-to-earth manner, and ensure the fulfillment of the state treasury bonds issuance task.

The issuance of state treasury bonds to raise funds for key construction projects should be attributed to the state, but at the same it is a good thing that is beneficial to the people. To ensure the benefit of bond holders, the state has raised the interest rates on the three-year and five-year state treasury bonds issued this year, to stand 2 percent higher than bank deposit interest rates for the same period. State treasury bonds are "gilt-edged [jin bian 6855 6708] bonds" guaranteed by government trust. There are no risks in these bonds. This is a comparatively stable and substantial investment option for civilians.

Various social circles should strengthen education on patriotism among the masses, provide guidance for them, take the overall situation into account, and first protect the overall interests of the state. Only when the country's economy develops steadily and keeps flourishing will the interests of the public be ensured.

Now the deadline for the issuance of state treasury bonds is not far off. Localities, departments, and the masses should mobilize and carefully organize themselves, and should actively subscribe to state treasury bonds so as to ensure the fulfillment of this year's issuance task and make contributions to the country's economic construction.

Firm Issues Domestic Bonds in U.S. Dollars

HK2406043093 Beijing CHINA DAILY in English
24 Jun 93 p 2

[Report by staff reporter Zhou Li: "Company Sells US Bonds at Home in US Dollars"]

[Text] The National Metallurgical Import and Export Corporation of China (NMIEC) this week began floating \$40 million in domestic bonds, CHINA DAILY learned yesterday.

The People's Bank and the State Planning Commission gave the greenlight to this experimental move.

It marks the first time a domestic company has floated US dollar bonds on the home market.

The National Metallurgical Import and Export Corporation is one of the largest foreign trade firms.

The underwriter, the China Securities Co Ltd (CSC), is handling the bond floatation. CSC, a national financial securities institution, consists of 50 partners, including national banking institutions, government revenue services, investment establishments, and industrial firms.

All legal institutions registered in the country can purchase the bonds, including solely foreign funded and Sino-foreign joint ventures. The bonds are sold in \$100,000 increments.

Bond interest, for one-year and two-year, is 4.1 and 4.6 percent, respectively.

All bonds will be circulated on the market through the National Electronic Trading System (NET), affiliated with China Securities Trading System Co Ltd.

According to CSC, such move can help relieve many State large and medium-sized enterprises of shortages in foreign exchange.

Resident deposits in China in foreign currencies have amounted to \$8 billion.

Construction Bank To Support Key Projects

OW2406110793 Beijing XINHUA in English 0858
GA'T 24 Jun 93

[Text] Beijing, June 24 (XINHUA)—The People's Construction Bank of China (PCBC) announced here today that it will provide another 28 billion yuan in loans to the key state construction projects during the latter half of this year.

The loans will go directly to infrastructure construction projects for railways, energy and transport and the production of raw materials.

To ensure exclusive use of the money by these sectors, the PCBC will open a special channel for the flow of capital.

PCBC lending on fixed assets was 11.5 billion yuan during the January-May period.

According to a senior PCBC official, the bank will cut down construction projects which do not have reliable fund resources or assured market prospects.

Because of a shortage of funds, priority is being reserved for sectors which have an important bearing on the national economy, said the official.

Song Jian Inspects Guizhou Factory

*HK2206135293 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 18 Jun 93*

[Excerpts] On 14 June, Song Jian, state councillor and minister of the State Science and Technology Commission, made an inspection tour to (Xinxu) Pharmaceutical Factory in Anshun. While there, he expressed great appreciation for the achievements made by this township enterprise, which [words indistinct].

Jointly invested in by No. 302 Hospital of China (Siuhang) Group and Anshun Prefecture's [words indistinct] Bureau, (Xinxu) Pharmaceutical Factory is a joint stock pharmaceutical enterprise that combines scientific research, clinical experiments, and production. Over the past three years since it began operations, the factory has successfully developed and produced over 30 medicines and chemical reagents in six forms, and its total output value has exceeded 20 million yuan. [passage omitted]

Song Jian highly praised this small factory—it has only 150 staff members—for its achievements, which have been made on the basis of a high starting point, high technology, and high objectives. He said: Enterprises should attach great importance to scientific research, give full play to the role of science and technology in promoting the productive forces, and strive to develop more sophisticated products.

RENMIN RIBAO Interviews Railways Minister

*HK2206055493 Beijing RENMIN RIBAO in Chinese
15 Jun 93 p 2*

[Interview with Han Zhubin, minister of railways, by staff reporter Zhang Guorong (1728 0948 2837): "Seize the Opportunity To Accelerate Railway Construction"]

[Text] [Zhang Guorong] In view of the problem that communication and transportation in China are seriously lagging behind, RENMIN RIBAO has published a series of reports under the general title of "While the Economy Is Being Upgraded, What Happens to Communications" since February. The development of railways has become a "hot spot" that the society is paying attention to. As minister of railways, what is your opinion of the current situation in railway development?

[Han Zhubin] RENMIN RIBAO's publishing this series of reports is something that meets both the guideline of the central authorities and the wishes of the people. On 22 and 23 February, this paper published in two installments a long report entitled "When Will China's Railways Move Out of the 'Bottleneck,'" laying bare to the people of the whole nation the situation in which the development of railways is seriously lagging behind. Afterward, it published editorials and a series of articles

and reports. All those elicited strong responses from across the society and have played an important role in helping accelerate the development of railways and bringing the whole nation closer to a common understanding. The 3.41 million workers in our railway sector appreciate the dynamic support for railway development from all circles of society. At this year's National People's Congress [NPC] session and Chinese People's Political Consultative Conference session, railway was the second most popular topic among the deputies and members, the first being agriculture. As many as 32 motions on the development and construction of railways were presented, 50 percent more than last year. Among them, 26 motions demanded construction of new railways. The development of railways has become the common wish of the whole party and the people of the whole nation.

Now is not only the most difficult period for railway development, but also the most favorable time for accelerating development. Challenge tends to coexist with opportunity, and shortage carries within itself the chance of development. The upgrading of the national economy to a new height and the development of the socialist market economy have brought China's railways to an opportunity of major historical development. At this NPC, Premier Li Peng stated in his Government Work Report that special attention should be given to the acceleration of railway construction in the coming five years.

This historical opportunity for a major development of railways is very precious. Whether or not we can seize this opportunity and upgrade railway construction to a desired level at an early date has a direct bearing on the development of China's economy in the 1990's and even the next century. We keenly feel that this is a big responsibility and that time is pressing. All the workers of the railway sector are bursting with energy for the major development of railways.

[Zhang] What is the specific content of the major development of railways?

[Han] Following Comrade Xiaoping's instruction that "nothing but development is real," we raised a slogan of four sentences on the overall approach to the railway development, namely, "ease the strain and adapt to new requirements in the immediate plan; aim at acquiring an appropriate pacesetting status in the long-term plan; break a new path of development; and truly be a good pioneer."

The decisive battle in the final three years under the Eighth Five-Year Plan is aimed at "easing the strain and adapting to new requirements in the immediate plan." The situation in which the development of railways is seriously lagging behind has formed over a long period of time. It takes time to reverse this situation thoroughly. But the upgrading of the national economy to a new height demands that railway construction develop from a high starting point in the near future. Therefore, we

have readjusted the eighth five-year railway construction plan. The main objectives are as follows.

Relatively big expansion of the size of railway network. According to the Eighth Five-Year Plan, 6,000 km of new railway lines are to be built. This is the biggest project for a five-year plan since the founding of New China. By 1995, operational mileage should reach 60,000 km. The main items are: Jingjiu line, Lanxin multiple-track line, Baozhong line, Houyue line, Zhegan multiple-track line, electrification of Jingguang line, Daqin auxiliary project, Nankun line, electrification of Chengkun line, and Xian-Ankang line. Seven of the 10 major projects should be basically completed in the decisive battle in the final three years under the Eighth Five-Year Plan. By that time, the strain on transportation will hopefully be eased.

In the Ninth Five-Year Plan period, it is still necessary to further increase investment and speed up construction. At the moment, the Ministry of Railways is stepping up the formulation of the railway development program under the Ninth Five-Year Plan, with a view to concentrating energies to build a batch of major corridors with high capacity. The initial plan is to expand the total size of the railway network to nearly 70,000 km by 2000. It took 15 years for China to extend its railway from 50,000 to 60,000 km. It will take much shorter time to extend it from 60,000 to 70,000 km.

Upgrading of the technical level of old lines to a new height. In the final three years, while the construction of new lines is to be accelerated, technical transformation of old lines is also put into a very important position. According to the Eighth Five-Year Plan, 4,100 km of multiple-track lines and 5,600 km of electric lines, totaling 9,700 km, are to be built. This is 1.87 times the amount of work accomplished under the Seventh Five-Year Plan. Another important feature of transformation of old lines is that, according to the principles of systems engineering, the full length of the Jingguang line will be electrified and the railway hubs at Zhuzhou, Hengyang, and Guangzhou will be updated at the same time. By the end of 1995, the entire Jingguang line, 2,500 km in length, will be electrified. The building of Zhegan multiple-track line is also going on at an accelerated pace and will be completed by 1995. In the meantime, the renovation of railway stations and freight yards will be carried out, so that the capacities of the points and lines will be coordinated and matched and the system output maximized.

[Zhang] The objectives of the major development of railway construction are indeed inspiring. What does the upgrading of transportation refer to?

[Han] The upgrading of transportation mainly covers the following aspects: First, the total handling capacity of transportation will be increased by a rather big margin. After the 14th party congress and the NPC set the annual growth rate of national economy in the 1990's at 8 to 9 percent, we adjusted our transportation plans. By 1995,

the volume of rail freight should reach 1.68 billion metric tons, a 220 million metric tons increase over 1990. The number of passengers transported is to reach 1.1 billion, up by 150 million. Second, the growth rate will be increased. The volume of rail freight rose beyond 1.4 billion metric tons in 1988 and 1.5 billion metric tons in 1992, with a four-year lapse in between. According to the current plan, it will exceed 1.6 billion metric tons by next year, which means it will only take two years to increase the volume from 1.5 billion to 1.6 billion metric tons. Third, there has been a new breakthrough in the number of cars loaded daily, which will exceed 80,000 by the end of 1995. It took nine years for this figure to rise from 60,000 to 70,000. According to the current plan, it will take about seven years for the number to increase from 70,000 to 80,000. While the number of cars loaded has increased, the sizes of cars are also bigger now. In 1988, the average rated carrying capacity of a cargo car was 56 metric tons. It will reach nearly 60 metric tons by 1995. Fourth, to meet the needs of socialist market economy, the structure of the carrying industry will undergo a big change. The speed of passenger and goods trains will be significantly raised; the number of high-grade passenger trains, such as international passenger trains, express through trains, trans-bureau [crossing geographical administrative lines] through express trains, and through trains, will be increased by quite a big margin; through express service, container transportation, bulk transportation, refrigerated transportation, and international through transportation in the goods transportation sector will also be greatly developed. Fifth, the safe operation of transports will be orderly, controllable, and basically stable.

[Zhang] What you have said gives the impression that the Ministry of Railways is very determined. Please tell us what measures will be adopted to ensure the fulfillment of the objectives.

[Han] The realization of a major historical development of railways is dependent on none other than the following two factors. One is the increase of input, the crux of which is the increase of investment; the other is the enhancement of efficiency brought forth by scientific and technological advances and reform and renovations.

In terms of input, existing plans have been adjusted. Investment in capital construction during the period of the Eighth Five-Year Plan will reach 92.2 billion yuan, 23 billion yuan more than previously planned; the fund for purchasing locomotives and cars will be 32 billion yuan, 7 billion more than previously planned. Besides, more than half of the nearly 30 billion yuan of investment in renewal and transformation will be put in short-term and economical projects with quick results and electrification projects. As far as the current situation is concerned, because of the rise in the prices of steel tracks and other steel products needed by railway construction, to accomplish the targeted work load investment will have to be significantly higher than previously budgeted. The size of investment under the Eighth

Five-Year Plan will be the biggest for a five-year period since the founding of New China.

As to the other factor, Comrade Xiaoping made these brilliant remarks: "Science and technology is the primary productive force" and "revolution is to emancipate productive forces, reform is also to emancipate the productive forces." We must keep a firm hold of these two principles.

Reform and opening up have created the premise for introducing advanced technology from abroad and winning "late-takeoff superiority" in economic development. Through the technical transformation in the 1980's, the technical rail equipment has scaled a new height and the driving power of locomotives has gone through the transition from the predominance of pulling by steam engines to the predominance of pulling by internal combustion and electrical engines. But on the whole, our technical equipment is still quite backward. Rail steam engines have basically been eliminated in developed countries, but they still make up 40 percent of all rail engines in China. The percentage of multiple tracks and electrified lines is even farther behind. It is imperative for China to adopt the strategy of "developing railways through science and technology" and greatly expedite technical advances.

[Zhang] Are there any new measures in the reform of the railway sector?

[Han] The "Regulations on Implementation" for the railway sector formulated in accordance with the State Council's "Regulations" on changing the operating mechanisms of enterprises has been promulgated. This is an important step in helping railway enterprises to change their operating mechanisms and move toward the market.

We will make dynamic efforts to develop group operation and, through the formation of groups, catalyze the separation of government administration from enterprise management and the separation of ownership from the managerial power, deepen the internal reform of enterprises, establish new mechanisms, and turn enterprises into subjects with "four autonomous" powers. The Guangzhou Rail Group has been founded. We will conduct this experiment well and sum up the experiences obtained.

Energetically developing diversified operations is an important aspect of bringing the railway sector to the market. We will exert ourselves in developing transregional, cross-trade, and cross-ownership cooperation; and realize the development of diversified operations in the railway sector by geometrical progression, through such varied approaches as all-dimensional service, opening up of new modes of operation, development in an industrial form, and cooperation in the form of grouping. We emphasize that standards must be set for the diversified operations of railway so that they may proceed according to law. Recently, the Ministry of Railways issued a notice strictly forbidding arbitrary

increase of prices and collection of fees and calling for efforts to adopt firm measures to rectify the conduct of railway operators and redress unhealthy tendencies in this trade.

We shall vigorously push ahead with joint investment in rail construction, break the mode of "monopolized construction" and "monopolized operation," give play to the initiative of various parties, and mobilize social forces to speed up the development of railways.

We shall further expand opening up, take an active part in the competition on the domestic as well as international markets, and make good use of domestic and international resources. We shall boldly introduce foreign capital and advanced technology and managerial experience; boldly take advantage of foreign capital to build railways with joint or sole investments; and run joint-venture enterprises in an active manner. The railways in the special economic zones, and coastal, riverside, and frontier areas will be put under still more open policies and energetic efforts will be made to develop economic and technological cooperation with developed countries, Hong Kong, Macao, Taiwan, and surrounding countries.

We shall make energetic efforts to change the functions of the administrative organs of the Ministry of Railways and gradually separate enterprise management from government administration. The main functions of the Ministry organs are: Making unified plans, interpreting policies, giving guidance according to information available, organizing and coordinating, providing services, and inspecting and supervising.

[Zhang] How do you look at the issue of railway freight charges?

[Han] In recent years, the CPC Central Committee and the State Council have paid close attention to the development of railways and had freight scales adjusted several times. Those adjustments were understood and supported by the people of the whole nation. Thereupon, the situation where freight charges are too low have started to change.

The establishment of socialist market economy requires acceleration of the reform of the freight system. The role of freight charges as information pointers is most important in turning the market into the disposer of transportation resources. At present, on the whole, the general index of rail freight is quite low, and the price parity among different means of transport is irrational. The excessive low rail freight has caused waste and irrational utilization of rail transport resources and is disadvantageous to the development of other means of transport.

For a long time, rail freight has been set on the basis of cost. Once set, it is hard to change. This kind of pricing is divorced from supply and demand. But in the context of a market economy, prices are determined by the relationship between the demand and the supply. The

divorcing of freight from the demand-supply relationship is bound to lead to a series of problems. This is an important reason why "Mr. Resellers" and "ticket-mongers" have never stopped being active despite repeated banning.

[Zhang] What else needs to be done in improving external environment?

[Han] Railways belong to the infrastructure of a society. Speeding up railway construction requires energetic support from all quarters. Especially in the decisive battle in the final three years under the Eighth Five-Year Plan, the timetable for railway construction is tight and the work load is heavy. Each year, over 4,000 km of new lines, multiple-track lines, and electrified lines will have to be built, which is three times the work load during the period of the Seventh Five-Year Plan. The coverage of construction is so wide that it reaches almost all provinces, municipalities, and regions. Under these circumstances, the task will not, at any rate, be accomplished without the energetic support of local governments and the general public. We hope that all localities will, as always, give energetic support and give maximum support in purchase of land, vacating of the land purchased, supply of local materials and equipment, and utility supplies for the construction.

Aviation Industry Growth Plans Reported

HK2406060093 Beijing CHINA DAILY in English
24 Jun 93 p 2

[Report by staff reporter Gao Jinan: "Aero-Industry To Take Off on Long Flight"]

[Text] An eight-year programme has been designed to modernize China's aviation industry and push it towards a fresh "take-off" at the turn of this century.

This ambitious programme focuses on upgrading the industry's manufacturing technology, helping it to win bigger shares of both the domestic and world markets.

The task is the priority of the newly-founded Aviation Industries of China (Avic), which has replaced the former Ministry of Aerospace Industry as China's top aviation authority.

Radical changes in reshaping the government structure, as approved by the National People's Congress in March, abolished the Ministry of Aerospace Industry, which was split into two specialized economic entities—Avic and China Space Industry Corporation.

The split will give both flexibility to develop profit-orientated businesses.

Zhu Yuli, former Vice-Minister of Aerospace Industry and now Avic president, said a number of advanced weapons as well as a series of civil aircraft would be developed.

He hoped that Chinese aeronautical experts would do their best to solve technical problems and cooperate with other countries to achieve results.

China was exploring ways for further cooperation with Boeing, Airbus and McDonnell-Douglas in the United States.

Cooperation with the Commonwealth of Independent States was another possibility, Zhu said.

"We frequently send delegations to foreign countries for cooperation opportunities and also receive many foreign delegations in the field," he added.

A new contract with McDonnell-Douglas for jointly manufacturing 40 MD-series jetliners in Shanghai has been signed, bringing cooperation with the US firm to a new high. More than 30 MD jetliners have been jointly produced in Shanghai.

According to the "take-off" plan, the industry will earn at least \$800 million in 1995 by exporting planes and consumer products. And exports will represent up to a third of the industry's total output value by the year 2000.

While focusing on the development and manufacturing of planes, Zhu said that production of consumer products was also a priority.

At present, the industry devoted over 70 percent of its production capacity for civilian purposes and this percentage would surely grow as there were fewer military orders.

But Zhu promised that the industry would fulfill any State production order, particularly for military purposes.

An average annual increase of 20 percent is charted for the industry's future development.

China's aviation industry, started in 1951, began with maintaining and copying foreign planes.

In the past four decades, it has produced over 13,000 aircraft, including both military and civilian planes. It has also turned out more than 50,000 aircraft engines and over 10,000 tactical missiles.

Production Line To Produce 300,000 Telepagers Annually

OW2406110893 Beijing XINHUA in English 0835
GMT 24 Jun 93

[Text] Beijing, June 24 (XINHUA)—China's largest telepager production line has gone into production at the joint-venture Beijing Matsushita Telecommunication Equipment Co. Ltd.

The factory has an annual pager production capacity of 300,000 telepages which will basically meet the demand of the development of China's telepager service.

East Region

Economic Development in East China Reported

OW2306134393 Beijing XINHUA in English 1246
GMT 23 Jun 93

[Text] Beijing, June 23 (XINHUA)—Before nine o'clock every Monday, Wednesday and Friday morning, hundreds of company managers in east China sit at their computer terminals waiting for the quotations from the Shanghai Metal Exchange.

"The quoted prices for non-ferrous metals are absolutely authoritative," said Wang Peizhou, deputy director of the Shanghai Baoshan Iron and Steel Complex, which has annual sales of 15 billion yuan (about 2.6 billion U.S. dollars).

"The rise and fall of prices at the metal exchange will always lead in the spot market," he explained. "My complex regularly rearranges production and marketing of related products in line with the exchange's quoted prices."

The instructive role played by the Shanghai Metal Exchange in production and management of many enterprises is a showcase of east China's economic operation under market regulation.

East China consists of Shandong, Jiangsu, Zhejiang, Anhui, Jiangxi and Fujian Provinces as well as Shanghai. It is the country's most economically-developed area and is leading in establishing the socialist market economy.

According to Xu Kuangdi, Shanghai's vice-mayor, the city, with no natural resources of its own, used to be supplied with raw materials and energy by the central government and produced goods according to quotas under central planning.

In 1992, after 86 percent of the state industrial enterprises led by the municipal government were given autonomy along with reduced material and energy supply from the government, they began to seek help from 45 markets in the city. As a result the city recorded the highest industrial growth rate in 14 years.

At present, east China's markets handle at least 80 percent of the capital goods needed by industrial enterprises and 70 percent of the goods they produce.

Wang Zhan, director of the Shanghai Economic Research Center, said, "markets are displaying their basic role in disposing of resources in east China."

From the very beginning, local rural industrial enterprises, unlike state-owned businesses, got their supplies of energy, raw materials, funds and technology from the market.

Rural industrial enterprises, which came into being in the late 1970s, are a fresh force in the industrial economy in east China. In Jiangsu, one of China's economically-developed provinces, their output value reached 246

billion yuan (about 43.2 billion U.S. dollars) last year, exceeding the gross industrial output value of Shanghai, China's leading industrial center.

A survey report shows that east China now has more than 35,000 country fairs and over 2,000 markets specializing in capital goods, funds, transfer of land-use rights, labor force, technology and property rights as well as 10 futures markets.

At dawn every day, some 80,000 business people stream into Yiwu city in Zhejiang Province, known as China's small commodity town, to undertake business. The transactional volume of the town amounted to 2.05 billion yuan last year.

People can hardly believe that Yiwu, a poor and remote place with inconvenient transport facilities a decade ago, has become an economic boomtown with 100,000 household mills at present.

"This is the result of displaying the market role," Mao Guanglie, mayor of the city, explained. "By opening markets, Yiwu has vitalized its local economy and enabled more and more farmers to become well-off."

According to preliminary statistics, east China has 20 professional markets in rural areas, in each of which the annual transactional volume surpassed one billion yuan. There are another 100 smaller such markets.

Economists here agreed that market development has helped promote urban construction and service trade.

The garment wholesales market in Jimo, Shandong Province, has an annual transactional volume of 1.2 billion yuan. Around it are a rank of 2,000 trucks ready to transport goods, and more than 300 restaurants and 100 hotels.

An official of the Shanghai Land Administrative Bureau said that the rise of Shanghai's land-leasing market has enabled the city to put on a new look.

The market leased out 2.6 billion U.S. dollars and 1.5 billion yuan (about 263 million U.S. dollars) worth of land last year.

This was equal to the total amount of investment in Shanghai's urban construction in the 30 years after 1949 when New China was founded.

"The great impact of the market system in east China's economy has played an exemplary role in the country," said Wang Shiyuan, secretary-general of the State Commission for Restructuring the Economy and a senior economist. "Although it still needs to further improve itself to bring into play more market functions."

Shandong Secretary on Qingdao Maritime Development

SK2406014293 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 22 Jun 93

[Text] On the afternoon of 21 June Jiang Chunyun, secretary of the provincial party committee, sponsored a forum with the teachers and cadres of the Maritime College in Qingdao.

During the forum he urged the participating teachers and cadres to further emancipate their minds, to bring the strong points of maritime scientific research into play, to do a good job in operating the college, and to render services for the two transcentury programs of building Shandong into a maritime base and achieving development on the Huanghe Delta.

After hearing the work reports given by the college leadership and specialists at the forum, Comrade Jiang Chunyun pointed out: Accelerating the two transcentury programs of building Shandong into a maritime base and achieving development on the Huanghe Delta represents an important and major content of the province's strategy in economic development. To fulfill this content, what is most important is to uphold the principle of having science and technology be vanguards and make maritime business prosperous. To this end, the provincial party committee and the provincial people's government have placed ardent hopes on the comrades of the Maritime College. Comrade Jiang Chunyun also put forward the following four hopes and demands for this purpose:

1. Efforts should be made to further emancipate minds, to renew concepts, and to foster brand-new thinking and concepts that are suitable to the maritime reality. Party and government organs at all levels and various units concerned should continuously deepen their understanding on maritime development and gain new ideas and concepts through learning.
2. Efforts should be made to intensively conduct reform in the educational contents and methods in line with the demands of building Shandong into a maritime base and achieving development on the Huanghe Delta. We should train a large number of qualified and specialized talented personnel who have ideals, morality, and high cultural standards, as well as are well disciplined.
3. Efforts should be made to reinforce the basic domain and the research of applied science and technology in line with the enforcement of the two transcentury programs. We should accelerate the popularization and application of high and new technologies. We should also concentrate our efforts on making arrangements for key courses, key specialized courses, and for the experiment and practice of key projects. We should enable more courses and specialized courses to have their own characteristics and build the Maritime College into a key and

comprehensive institution that can exert certain influence on international research and is with the characteristics of maritime business and aquatic production.

4. Efforts should be made to vigorously enhance the construction of the three contingents of teachers, cadres, as well as staff members and workers. We should create fine working environment and living conditions for teachers. In particular, we should attach importance on building the contingent of middle-aged and young teachers and help them deal with their practical difficulties.

In his speech, Comrade Jiang Chunyun urged the Maritime College to build itself into a world-known higher maritime educational institution. Meanwhile, he urged the provincial level departments concerned and the relevant departments of Qingdao to show much concern and to give more supports to the Maritime College.

Also attending the forum were Han Xikai, member of the provincial party standing committee and secretary general of the provincial party committee; Song Fatang, vice governor of the province; and leading personnel from the Qingdao city party and government organs.

Shandong Highlights Crackdown on Car Smugglers

SK2406015093 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 22 June 93

[Text] Our province has scored marked achievements in waging struggle against smuggling crimes and cracked down on a large number of serious cases. The principal criminals of smuggling have been punished and handled. The current evil trend of smuggling on the sea has been basically blocked and the spreading tendency of smuggling and of trafficking smuggled goods has been brought under effective control.

Since the end of 1992, the smuggling activities along the coastal line of eastern Shandong have increased, seriously disturbed the normal economic order, and adversely affected social stability. Therefore, the provincial party committee and the provincial people's government have attached great importance on these activities and conducted studies and made arrangements for combating them. They have also organized work groups and deployed them to the coastal areas to inspect and direct the work of blocking smuggling activities. They have also urged various localities to adopt effective measures to deal blows at smuggling activities resolutely, rapidly, and thoroughly. Various localities have generally established their leading group in charge of dealing blows at smugglers and enforced the responsibility systems among their leaders. Public security organs at all levels have conducted consolidation among the key areas where have serious smuggling activities and more problems by bringing their functionary role into full play; giving full cooperation to the customs office and the industrial and commercial departments; unifying the operation in this regard with other units; regarding as a breakthrough the cracking down of car and cigarette smugglers; and

adopting the methods of capturing smugglers on the sea, blocking the activities along the coastal line, conducting checks along highways, and enhancing the market management. The province established more than 170 patrol teams of various categories along the coastal areas and put more than 100 ships and boats of seizing smugglers into operation. It set up a large number of check stations of seizing smugglers along the highways connecting inland cities and prefectures. Various localities have put the task of cracking down on serious and appalling smuggling cases on the first position. The province has, to date, cracked down and handled 23 cases of serious smuggling. It has arrested 11 persons in line with the law and given the sanctions of law and discipline, party discipline, and administrative discipline to another 12 persons. The province confiscated all smuggled goods and illegal gains. Weihai city cracked down on an appalling case of smuggling 50 cars. Among those who were arrested in line with the law in the case were principal criminals (Zhang Guibin), manager of the Foreign Trade Company of the Weihai Economic and Technical Development Zone; (Ke Xijin), deputy manager of the company; and (Liu Jianchang), secretary of the party branch and concurrent director of the paper mill of Rongcheng city. (Che Hongzhi), secretary of the Guoyu town party committee of Rongcheng city, who assumed certain responsibility for the case, was punished by dismissal from his post. (Li Jianmin), director of the Penglai city foreign trade bureau, who colluded with personnel including (Wang Haibin), manager of the supply and marketing company of Yantai city, smuggled tens of cars by utilizing their peripheral organizations. They were arrested in line with the law and all smuggled cars were confiscated.

Development Zone Set Up in Zhejiang's Xiaoshan

*OW2406094893 Beijing XINHUA in English 0734
GMT 24 Jun 93*

[Text] Hangzhou, June 24 (XINHUA)—An economic and technological development zone has been set up in Xiaoshan, one of China's richest counties and cities in Zhejiang Province.

Located in the southern Yangtze River delta, Xiaoshan generated industrial and agricultural output totaling 13.7 billion yuan last year, ranking tenth in economic power among China's 100 top counties and cities.

Covering 9.2 square kilometers, the development zone has good land and water transport facilities. A total of more than 250 million yuan has been spent on the construction of infrastructural facilities in the zone which is ready to accommodate overseas-funded enterprises.

North Region

Beijing Strengthens Quality Control Administration

*OW2206064393 Beijing XINHUA in English 0611
GMT 22 Jun 93*

[Text] Beijing, June 22 (XINHUA)—Beijing's municipal government has decided to further strengthen its administration of quality supervision and the crack down on shoddy goods.

Lian Qian, head of Beijing Technological Supervision Bureau, recently said while the quality of most of Beijing's industrial products had improved in the past few years, about 20 percent were still often below the minimum standard. Improving of product quality was a long-term job and hard work.

Last year the bureau had surveyed 101 major products made by 135 enterprises in 14 industries. Of these, 92.1 percent proved to be up to standard. The product quality rate of foreign funded ventures came to 100 percent, large industrial enterprises 93.8 percent and small sized enterprises including rural enterprises 33.3 percent.

In order to update quality, municipal technological supervision departments encouraged firms to adopt the international standards.

From 1987 to 1992, the city producers of about 4,000 kinds of goods have followed international standards.

Beijing has paid a lot of attention to the crack down of shoddy goods. In 1992 supervision departments ferreted out about 5,900 producers and sellers of shoddy goods.

Hebei Secretary Discusses Propaganda Work

*SK1906094993 Shijiazhuang HEBEI RIBAO in
Chinese 21 May 93 p 1*

[By reporter Peng Tongju (1756 0681 5112) and correspondent Wang Yingmian (3769 5391 4875): "Achieve Breakthrough in Pioneering Spirit; Conduct Intensive Education on One Theory, One Line, and One Spirit"]

[Text] The propaganda department of the provincial party committee held a forum of some prefectural, city, and county leading cadres on the evening of 18 May to discuss ways to strengthen and improve propaganda and ideological work in the new situation. Li Yuehui, secretary of the Chengde city party committee; Hou Lei, secretary of the Baoding city party committee; Zhang Chunfu, secretary of the Xingtai prefectural party committee; Wu Yedu, secretary of the Handan prefectural party committee; and Zhang Deying, adviser to the Zhangjiakou prefectural party committee, gave speeches at the forum. Based on reality, they analyzed the situation and problems in Hebei's propaganda and ideological work; spoke on their views on how to understand the position and role of propaganda and ideological work in

the new situation, how to strengthen and improve leadership over propaganda and ideological work, and how to extensively and intensively publicize and conduct education on "one theory" (building socialism with Chinese characteristics), "one line" (the party's basic line), and "one spirit" (pioneering spirit); and offered many valuable opinions and suggestions.

Han Licheng, Standing Committee member and propaganda department director of the provincial party committee, chaired the forum.

Cheng Weigao, secretary of the provincial party committee, listened to the speeches attentively and spoke on his opinions on how to strengthen and improve propaganda and ideological work in the new situation and provide a good social environment and public opinion for the endeavor of building an economically strong province.

We should correctly estimate the situation on the propaganda and ideological front. Since Comrade Deng Xiaoping gave important speeches during his south China inspection and the convocation of the 14th National Party Congress, the work in all fields of the country has developed very rapidly, and new steps have been made in reform, opening up, and economic construction. Despite the difficulties in the process of advancement and doubts and misgivings some people have, people throughout the country are pleased with China's excellent situation. Hebei people also long for stability and progress and feel happy about Hebei's good trend in economic development. This is the essential aspect. To our leading cadres at all levels, it is important at all times to correctly distinguish the essential aspect from the nonessential aspect.

We should have a deeper understanding of the importance of propaganda and ideological work. To promote Hebei's economy, propaganda and ideological departments shoulder particularly important responsibilities. First, they should help people further emancipate the mind and update concepts. People are talking about emancipating the mind and updating concepts, but many of them still confine their thinking to the framework of the planned economy. Therefore, they cannot get out of the predicament when they encounter problems. To all levels and all departments, emancipating the mind is always a very heavy task. Second, they should inspire people's enthusiasm for construction and muster their efforts to build an economically strong province. Third, they shoulder very heavy tasks for ideological guidance and ideological education. Development of the socialist market economy has set forth many new tasks for propaganda and ideological work, and some unhealthy things have also emerged in society, which requires that we conduct extensive and intensive education on "one theory, one line, and one spirit." Otherwise, the society will be unstable, the normal progress of economic construction will be affected, or reform and opening up will be hindered.

We should further clarify the point of departure and the aim of propaganda and ideological work. Propaganda and ideological work should not be misinterpreted as blocking, preventing, and eliminating. Propaganda and ideological work and economic work are mutually supplementary. Propaganda and ideological work should advocate achievements and persist still better in the one central task (economic construction), one mechanism (market mechanism), and one principle (the mandatory principle of development). Its point of departure is to fully boost people's enthusiasm, and its final aim is to develop the economy and build an economically strong province more rapidly.

The education on "one theory, one line, and one spirit" should be conducted simultaneously. At present, we should start with the education on "one spirit." We should be very clear about one point, namely taking economic construction as the central task, coordinating the "two basic points," and persistently developing the two civilizations simultaneously. The 64-character (emancipating the mind, seeking truth from facts, conducting active exploration, bravely creating the new, working hard, advancing despite difficulties, learning from foreign countries, making unremitting efforts to improve oneself, being modest and prudent, guarding against arrogance and rashness, working in unison, taking overall situation into consideration, practicing frugality, being clean and honest, exerting vigorous efforts to make the country prosperous, and devoting oneself selflessly) pioneering spirit recently put forward by Comrade Jiang Zemin is very important. As Hebei is developing the second pioneering work, pioneering spirit is particularly important in Hebei. Starting with the education on the "one spirit," we should promote the intensive education on the "one theory" and "one line" to speed up the pace in reform, opening up, and building an economically strong province.

We should distinguish right from wrong concerning some major issues. In the new situation in developing the market economy, it is impossible for ideological and political work to solve all problems, but it should help people draw a clear demarcation line between right and wrong concerning important issues. We should clarify what is right and what is wrong; what is good and what is bad; what is beautiful and what is ugly; what is virtuous and what is evil; what is permitted by policies but not completely correct; and what is reasonable but not suitable for development at present. We should make more efforts to study the issues about which the masses have many complaints and have the ability to give correct explanations to them.

We should educate the masses to embrace firm faith in socialism. Some people say that when the market economy is developed, social conduct will deteriorate. This is not right because there is no relation between these two, and this is also not the case in some capitalist countries. We should do still better the work that capitalist countries can do. We are capable of building not only a high-degree of material civilization but also a

high-degree of spiritual civilization. The 64-character "pioneering spirit" is the spirit of this era, the spirit of our nation, and an important part of the spiritual civilization. To carry forward this spirit in the process of developing the socialist market economy, we should intensify propaganda by the media; upgrade the people's quality; improve policies, rules, and regulations; purify social conduct; and raise the moral level of the entire society. We are totally capable of achieving this.

Also attending the forum were leading comrades of Qianan, Changli, and Fengning counties; other leading comrades of the propaganda department of the provincial party committee; and responsible persons of the various departments and bureaus of the propaganda organs directly under the province.

Overseas Groups Help Develop Tianjin Economic Zone

OW2206034493 Beijing XINHUA in English 0230 GMT 22 Jun 93

[Text] Tianjin, June 22 (XINHUA)—The Tianjin Economic and Technological Development Zone has experienced another round of foreign investment boom since introducing the practise for industrial groups to jointly develop industrial parks.

With a nine year history, the Tianjin Economic and Technological Development Zone has approved the establishment of 780 foreign-funded ventures. Of these, 364 were established in the first five months this year. The foreign-funded ventures have a total of 2.3 billion yuan in registered capital.

The zone first implemented rolling development that proved to be not that rapid with single enterprise development. The administrative body later decided on the switch to joint group development.

The 3.5 sq km Tianjin Taifeng Industrial Park has started development earlier this year with businesses from the Republic of Korea taking the responsibility.

The development of another four large industrial parks including the European Industrial Park and the Haijing Industrial Park will begin within the year.

At the same time several overseas financial groups have contracted to develop more than 10 sq km of land in the Tianjin development zone.

The total value of foreign investment and space in developed areas this year is expected to exceed the combined total of the previous eight years.

Northeast Region

Liaoning Investigates Cases of Fake Police

SK2406100493 Shenyang LIAONING RIBAO in Chinese 28 May 93 p 1

[Text] Recently, some localities experienced the strange phenomenon of unidentified persons wearing police insignia swaggering through the streets cheating the masses. Upon investigating the situation, provincial public security organs have, in one move, clamped down on seven cases of illegal production, selling, and wearing of police insignia.

According to incomplete statistics, the province has recently confiscated some 30,000 shoulder loops, collar badges, and arm bands of the police. The provincial public security department issued a circular a few days ago calling on public security organs at all levels to immediately organize forces to conscientiously inspect local enterprises producing and selling police insignia among security shops, armymen service centers, and self-employed shops. Public security organs are also demanding in-depth investigation and punishment according to related regulations of units violating the related regulations and of the people who privately buy and wear police insignia.

Liaoning Circular Bans Manufacture of Imitation Guns

SK2406100393 Shenyang LIAONING RIBAO in Chinese 28 May 93 p 1

[Text] The provincial public security department has recently issued a circular, calling on various localities to resolutely ban illegal production, marketing, and distribution of imitation guns—steel ball guns, electric guns, and tear gas guns—and cutting tools which are under state control.

The provincial public security department stipulated by formal decree that all decisions on the manufacturing, marketing, and distribution of such imitation guns and state-controlled cutting tools were void.

The circular demands that no pertinent personnel of public security organs, security departments, and gun distribution units be provided with such imitation guns and controlled cutting tools. All those that have already been distributed should be withdrawn by the distribution units and handed over to the state for destruction. Those who continue to produce, market, and use such imitation guns and controlled cutting tools in defiance of state stipulations should be severely dealt with according to relevant regulations.

Liaoning's Quan Shuren Discusses Shareholding System

SK2406065693 Shenyang LIAONING RIBAO in Chinese 24 Jun 93 p 1

[By reporters Dong Changli (5516 1603 4409), Cui Weiwei (1508 1550 1550), and Ke Zhenjie (0668 2182 2638): "Liaoning Holds Symposium on Shareholding System of State-Owned Enterprises"]

[Excerpts] On 21 May, the policy research office of the provincial party committee, the provincial economic restructuring committee, and the provincial policy society cosponsored a symposium on trial implementation of the shareholding system among state-owned enterprises. More than 30 specialists, scholars, and entrepreneurs of the economic circles seated themselves together with Quan Shuren, secretary of the provincial party committee; Shang Wen, deputy secretary of the provincial party committee; and Xu Wencai, secretary general of the provincial party committee, to enthusiastically discuss the issues of reforming the property right system of state-owned enterprises and of carrying out the shareholding management system. The participants unanimously maintained that the state-owned large and medium-sized enterprises across the province have entered a key period of reform. It is imperative to reform the property right system. Carrying out the shareholding management system is the only way for state-owned large and medium-sized enterprises to carry out the second pioneering program and to restore their prestige. [passage omitted]

Quan Shuren, secretary of the provincial party committee, made an important speech at the meeting. He said: Carrying out the shareholding system among state-owned enterprises is a new thing. So, we must ceaselessly sum up experiences and continue to make improvement in the course of practice. How shall we know the issue about the implementation of the shareholding system? We should know that today when reform is being deepened, carrying out the shareholding system is a key way to reform the property right system and a proper content of setting up the socialist market economic system. Carrying out the shareholding system means sending capital stocks to markets. The unitary form of state property right is the nucleus of the unitary planned economy. By carrying out the socialist market economy, we should send not only commodities but also property to markets. Markets where commodities but no property are sent cannot be regarded as an integrated socialist market economy.

Quan Shuren said: Speaking from the viewpoint of the economic law, the shareholding system is an enterprise management form suitable to the ordinary economic law as well as a result from a proper development of the economy. The shareholding system can be applied by the socialist society since it is not a patent of the capitalist one. So, we must not judge whether this system is

"socialist" or "capitalist." By carrying out the shareholding system, the state-owned enterprises have balanced the relationship of property right, promoted the change in the input mechanism, and changed the situation where enterprises rely on the state input. Simultaneously, a series of reform measures have been brought to enterprises. Comrade Deng Xiaoping pointed out that reform is to liberate productive forces.

The key to making a deep breakthrough in today's reform is to reform the property right system and to carry out the shareholding system. This is the core of achieving the second pioneering program and restoring the prestige of the old industrial base. To make achievements in this regard, we will be able to further emancipate the mind and promote the elevation of the economy to a new high. We should further emancipate the mind, change ideas, pluck up courage, eliminate misgivings, solidly reform the property right system, and conduct the trial implementation of the shareholding system.

Quan Shuren pointed out: The socialist market economy is an economy that is standardized by the legal system. So, there must be standards for the implementation of the shareholding system so that we can handle affairs according to law. The enterprises that are carrying out the shareholding system should firmly attend to the reform of the internal mechanism. We should set up a set of the managerial mechanisms suitable to the shareholding system and coordinating with the international practice. The legislative organs should set up and perfect the rules and regulations governing the shareholding system so as to promote the development of the system. The governments at various levels should accelerate their functional changes, handle affairs according to the economic law, and serve the implementation of the shareholding system. The propaganda departments should disseminate and popularize the knowledge of the shareholding system, promote the sound progress of the shareholding system, and make a bigger stride for the reform in this regard.

Liaoning Holds Seminar on 'Second Pioneering Program'

SK2406013893 Shenyang LIAONING RIBAO in Chinese 21 May 93 p 1

[By reporter Liu Fengmin (0491 7685 3046): "Display the Pioneering Spirit and Regain Liaoning's Magnificence"]

[Excerpts] In an effort to thoroughly implement the guidelines of the 14th National Party Congress and extensively mobilize the people across the province to work hard for attaining the grand goals of the "second pioneering program" put forward by the provincial party committee and government, the propaganda department of the provincial party committee and the general office of the provincial government held a theoretical seminar on Liaoning's "second pioneering program" in Shenyang from 18 to 20 May. Attending were responsible comrades of pertinent

provincial departments, theoretical workers, and enterprise leading cadres, totaling more than 80 people.

Quan Shuren, secretary of the provincial party committee, and Yue Qifeng, governor of the province, attended and gave important speeches to profoundly expound the important significance and basic content of Liaoning's "second pioneering program." Wang Chonglu, Standing Committee member and propaganda department director of the provincial party committee, chaired the seminar. Xu Wencai, Standing Committee member and secretary general of the provincial party committee, attended. Wen Shizhen, Standing Committee member of the provincial party committee and vice governor of the province, attended from the beginning to the end and gave a summarizing speech. Yue Weichun, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, and Liu Yiyun and Shen Xianhui, veteran comrades, also attended and gave speeches. [passage omitted]

After affirming the achievements of the seminar, Wen Shizhen pointed out: This seminar serves as a good beginning. Based on the crucial issues put forward at this seminar, we will hold in-depth special discussions in the future to resolve the difficulties we encounter in economic construction, reform, and opening up. He urged that, with the seminar as a beginning, the various propaganda media should be fully used and various measures adopted to suggest ways and means to the "second pioneering program."

In conclusion, he spoke on opinions on how to further mobilize all localities, departments, trades, cadres, and the people throughout the province to plunge themselves into the "second pioneering program." He emphasized: We should have a clear understanding of the situation and enhance the sense of urgency in seizing the opportunity. We should further emancipate the mind and carry forward the great pioneering spirit. We should attach importance to the performance in the pioneering program and train and use a number of pioneering cadres. We should also be earnest and realistic and perform all work in a down-to-earth manner. He urged all departments to further study and formulate the

plans for implementing the "second pioneering program," clarify the targets for different periods, and establish a responsibility system to ensure attainment of the targets.

Entrepreneurs attending the seminar issued a "letter of proposal for responding to the call of the provincial party committee and government and actively plunging into the 'second pioneering program.'"

Liaoning CPC Committee Appointments Reported

Wang Xiyi Made Fuxin Party Secretary

SK2306101493 Shenyang LIAONING RIBAO in Chinese 20 May 93 p 1

[Text] The Liaoning Provincial CPC Committee decided to appoint Comrade Wang Xiyi [3769 6932 5030] secretary of the Fuxin city party committee. Before this, Wang Xiyi acted as deputy secretary of the Fuxin city party committee.

Wang Weizhong Becomes Dandong Secretary

SK2406013393 Shenyang LIAONING RIBAO in Chinese 24 May 93 p 1

[Text] The Liaoning Provincial CPC Committee decided to appoint Wang Weizhong (3967 0787 5883) as secretary of the Dandong city party committee. Before this, Wang Weizhong acted as deputy secretary of the city party committee.

Liaoning Harbor Begins Construction of Oil Wharf

SK2306101593 Shenyang LIAONING RIBAO in Chinese 23 May 93 p 1

[Summary] On 15 May construction began on a 10,000-tonne oil wharf in Huludao Harbor. As a gravity-structured wharf, it is 170 meters long and 22 meters wide and has two 18.4-km-long oil transmission lines and six oil storage tanks. Its annual oil transmission capacity is 1.25 tonnes. The main construction project will be completed by the end of 1993.

Xiamen Aircraft Hijacked to Taiwan

*OW2406095493 Beijing XINHUA in English 0943
GMT 24 Jun 93*

[Text] Beijing, June 24 (XINHUA)—A Boeing 737 passenger carrier operated by the Xiamen Aviation Company Ltd. was hijacked this afternoon to the Taoyuan airport in Taipei, the capital of Taiwan Province.

All passengers on board the jet are safe, according to official sources.

The hijacking took place after the plane left Changzhou City, in Jiangsu Province, enroute to Xiamen, in Fujian Province, which lies just across the Taiwan Straits from the island.

No further details have been reported.

Plane, Personnel 'Safe'

*OW2406125293 Beijing Central People's Radio
Network in Mandarin 1030 GMT 24 Jun 93*

[From the "National Hookup" program]

[Text] A Boeing 737 airliner of the Xiamen Aviation Company, Limited was hijacked to Taoyuan airport, in Taiwan, after it took off from Changzhou and was en route to Xiamen this afternoon. All personnel and the aircraft are safe now.

Reportage on PRC Jetliner Hijacking to Taipei

Two People Injured

OW2406090793 Taipei CNA in English 0858 GMT 24 Jun 93

[Text] Taipei, June 24 (CNA)—A commercial aircraft of Mainland China's Xiamen Airlines was hijacked to Taiwan Thursday [24 June] afternoon, military sources said.

On board the Boeing-737 plane were 13 crew members and 63 passengers, the sources said. Two persons were wounded.

The plane landed at the Chiang Kai-shek International Airport at 15:35.

The sources said the aircraft was hijacked by Chang Wenlung, a 27-year-old mainlander armed with a toy pistol, on its way from Changzhou in Jiangsu Province to Putian in the southern province of Fujian.

Chang was detained by airport police for investigation shortly after the plane landed at the airport in Taoyuan, about 30 km south of Taipei.

This was the second time in less than three months that a mainland Chinese aircraft was hijacked to Taiwan.

On April 6, a Boeing 757 of China Southern Airlines was hijacked by two men to Taiwan from the southern mainland city of Shenzhen near Guangzhou.

The aircraft was allowed to return to mainland after staying at the airport for six hours. The two hijackers were indicted by prosecutor's office of the Taoyuan County on charge of endangering aviation safety.

PRC Soldier Identified as Hijacker

HK2406093793 Hong Kong AFP in English 0924 GMT 24 June 93

[Excerpt] Taipei, June 24 (AFP)—A Chinese soldier armed with a gun and a knife hijacked a passenger jet in southeast China and diverted it to Taipei's international airport Thursday, airport police said. The Boeing 737 carrying 63 passengers and nine crew landed at the airport around 3.30 p.m. (0730 GMT), airport police said.

Xiamen Airlines flight 8514 was traveling from Hangzhou in coastal Jiangsu Province to Xiamen when it was hijacked, the Civil Aviation Administration of China (CAAC) in Beijing confirmed.

Zhang Wen-lung, 28, an assistant accountant in the military, was being questioned by the police after turning in his handgun and knife, the airport police said. He joined the Chinese People's Liberation Army in 1980, they said.

Zhang, a native of Jiangsu Province, diverted the plane from its domestic route after it left Hangzhou at 2:58 p.m. (0658 GMT).

There were no reports of injuries among the passengers and crew. [passage omitted]

Further on Hijacking

OW2406111393 Taipei China Broadcasting Corporation in Mandarin 0948 GMT 24 Jun 93

[Unscheduled news flash]

[Text] A Boeing 737 plane belonging to Hsiamen [Xiamen] Airlines on a flight from Changchou [Changzhou], Chiangsu [Jiangsu] Province, to Putien [Putian], Fuchien [Fujian] Province, was hijacked at 0252 PM [0652 GMT] and landed at Chiang Kai-shek International Airport around 3:30 P.M. This is the second time in two months or more [as heard] that a mainland passenger plane has been hijacked to Taiwan. It has been learned that the lone hijacker, Chang Wenlung [Zhang Wenlung], 27, is a native of Taixing [Taihsing], Chiangsu Province. After the airplane landed, the hijacker made known his identity and was taken away by airport security personnel for questioning.

The Hsiamen Airlines airplane, whose number is B-2501, carried 63 passengers and nine crew members.

In connection with the hijacking incident, the Government Information Office [GIO] has already sent Chung Ching-lin, head of the GIO Internal Information Service Department, to the airport to collect more information. GIO Director General Hu Chih-chiang has scheduled a news conference at 1800 on the hijacking incident and the government's stand on dealing with it.

Premier Lien Chan was also promptly informed of the news of the hijacking. He instructed the departments concerned that the issue should be handled in line with the principle of dealing separately with the personnel and the plane.

CAAC Spokesman Cited

HK2406092093 Hong Kong AFP in English 0907 GMT 24 Jun 93

[Text] Beijing, June 24 (AFP)—The Civil Aviation Administration of China (CAAC) confirmed Thursday [24 June] the hijacking of a Chinese passenger jet to Taiwan. "We hope the concerned Taiwan authorities cooperate and return the airplane as soon as possible," a CAAC spokesman said. Beijing also wanted those responsible for the hijacking sent back to the mainland, he said.

The Boeing 737, Xiamen Airlines flight 8514, was traveling from Changzhou, in coastal Jiangsu Province, to Xiamen when it was hijacked at around 3:00 p.m. (0700 GMT), the spokesman said. It landed at Taipei's international airport about 30 minutes later.

It was not known how many people were aboard the flight, he said. "The plane is in good shape," he added.

President Li Urges Campaign for UN Entry

OW2406112293 Taipei Voice of Free China in English
0200 GMT 11 Jun 93

[From the "News" program]

[Text] The ROC [Republic of China] should initiate an international publicity campaign to promote its bid to enter the United Nations, President Li Teng-hui and another top KMT [Kuomintang] [as heard] have stated. The campaign will utilize the combined power of all

overseas Chinese and people in countries friendly to the ROC to express the message that the ROC is serious about its UN bid.

Wednesday [9 June] morning, a meeting between Li and members of the presidential office, cabinet, and legislature was the first time that the UN issue was discussed at such a high level. According to an official statement from the KMT Department of Cultural Affairs, Li said that UN entry will have a positive effect on reunification of Taiwan with the mainland. Entry into the United Nations should be the common goal of all ROC citizens, he stated.

Hong Kong

Further on Sixth Round of PRC-UK Talks

OW2306135193 Beijing Central Television Program
One Network in Mandarin 1100 GMT 23 Jun 93

[From the "National News Hookup" program]

[Text] Jiang Enzhu, representative of the Chinese Government and vice foreign minister, and Robin McLaren, representative of the British Government and British ambassador to the People's Republic of China, this morning in Beijing began the sixth round of talks on issues concerning the arrangements for Hong Kong's 1994-95 elections. Before officially opening the talks, Jiang Enzhu and Robin McLaren gave a five-minute interview to reporters. [video opens with Jiang Enzhu, Robin McLaren, and personnel of both sides walking into a hall crammed with reporters]

Jiang Enzhu said: The talks between the two sides are proceeding normally. Our talks are like climbing up a mountain peak. It is naturally no easy job, but we are both working hard. I believe as long as both sides have the determination and the will and make concerted efforts, we can speed up our steps forward and successfully reach the peak in the end. [video shows Jiang Enzhu shaking hands with Robin McLaren before talking to reporters]

Robin McLaren agreed with Jiang Enzhu's remarks. He said that he hoped this round of talks would make headway so that the important task entrusted to the governments of the two countries could be completed. [McLaren is seen addressing reporters after Jiang finishes his remarks]

The two sides have agreed that this round of talks, which will last for three days, will proceed according to the Sino-British Joint Declaration, the principle of convergence with the Basic Law, as well as relevant agreements and understandings reached between China and Britain.

PRC Official on UK 'Tricks'

HK2406044093 Hong Kong WEN WEI PO in Chinese
22 Jun 93 p 12

[Report by trainee correspondent Li Hsiao-ping (2621 4562 0393): "Chen Ziyang Says Britain's Sincerity Determines If Sino-British Talks Produce Results"]

[Text] Beijing, 21 Jun (WEN WEI PO)—Chen Ziyang, deputy director of the State Council's Hong Kong and Macao Affairs Office, pointed out here today that Britain's sincerity for talks would determine whether or not Sino-British talks could produce satisfactory results, stating that China and Britain should approach talks in a spirit of cooperation. Neither side should deviate from the stated goals, much less create obstacles; they cannot stop, much less pull out, in the middle of talks. He hoped that Britain would not treat the talks as a card and would stop using little tricks.

Chen Ziyang met with the Hong Kong workers delegation headed by Pang Chun-hoi and Tam Yiu-chung this afternoon at Beijing's Hong Kong and Macao Center. On the problem of sincerity for Sino-British talks, Chen Ziyang said: So-called sincerity refers to three things: one, whether or not the consensus between the two sides on the problem of Hong Kong is still valid. Two, we used to share the common goal of maintaining Hong Kong's hard-won social stability and economic prosperity. Do we still share this goal today? Three, the problem of whether both sides still want to continue cooperation and consultations in properly dealing with problems with Hong Kong society in order to reach the aforementioned common goal. In view of all these, sincerity is not a mere statement but one that demands determination and a solid foundation.

Chen Ziyang said that China has consistently hoped for sincerity from Britain. The ongoing Sino-British talks, while aimed at providing 1994-95 election arrangements, indicate in effect whether sincerity is in place.

Chen Ziyang stated that the five rounds of Sino-British talks have proceeded normally. The Chinese side is truly sincere about the negotiations and hopes that the talks can go well and produce positive results, and that Britain is equally sincere. He said that China had fully considered the interests of Britain and other countries when laying down the "one country, two systems" policy for Hong Kong, and it has written this into the Basic Law. He said that when China and Britain were resuming talks, the negotiations were compared to scaling the Great Wall. As we say, "one who has traveled to the Great Wall is a nobody." Both sides should walk the road lying before them and up the Great Wall, hand in hand. Neither side should deviate from the talks, much less create obstacles; they cannot stop, much less pull out in the middle of them. He hoped that Britain would not treat talks as a card and would stop using little tricks. It should have political foresight and see that its own interests lie not anywhere else but rather in conscientiously implementing the Sino-British Joint Declaration, converging with the Basic Law, and ensuring Hong Kong's prosperity and stability and a smooth transition. Chen Ziyang pointed that China and Britain had achieved consensus when signing the Joint Declaration in 1984, and that maintaining Hong Kong's long-term prosperity and stability was the common goal. He hoped that the two sides can make concerted efforts at this point and properly handle problems during the transitional period. The problem of 1994-95 election arrangements can also be settled with satisfaction provided that the principle of the "three conformities" is observed.

On the guests' concern over the upcoming discussion at the National People's Congress [NPC] Standing Committee on setting up the Preliminary Work Organ for the Preparatory Committee of the Hong Kong Special Administrative Region [SAR], Chen Ziyang explained that Guangdong deputy group tabled a bill at the First Session of the Eighth NPC stating the hope for a preliminary work organ for the preparatory committee. The

NPC passed the bill and decided to authorize the NPC Standing Committee to set up this organ. The Standing Committee, as the permanent organ straddling the previous and the incumbent National People's Congresses, should put into effect bills that are passed. Therefore, the second session of the Eighth NPC, scheduled for tomorrow, will include the discussion on setting up a preliminary work organ in its agenda. Chen Ziyang pointed out that the organ would not become the so-called second power center in Hong Kong because it is here to listen widely to views from all walks of life in Hong Kong and to make preparations for various tasks. It does not have any relationship with the ongoing Sino-British talks. For the Chinese side, the organ will be established, whether there would be talks with Britain. He stated that this organ will recruit, on a broad basis, Hong Kong personnel to participate in work. It is believed that the organ will have more Hong Kong members than those from the mainland.

On the central provident fund and civil servants' pensions, two issues of concern to Hong Kong labor, Chen Ziyang said: According to the provisions of the Sino-British Joint Declaration, before 1 July 1997 the British Government is in charge of the administration of Hong Kong. On this China must keep its word and cannot meddle in something over which it has no authority. However, these problems touch on the Hong Kong SAR's labor policy and civil servants' continued service for the SAR after 1997. There is an element of continuity here. He stressed that China's general policy in handling problems with Hong Kong is guided by Hong Kong people's interests and Hong Kong's long-term prosperity and stability. It is hoped that the British Hong Kong Government does what it should do well in the latter period of the transition. Problems extending beyond 1997 should be discussed by the Sino-British Joint Liaison Group.

Chen Guangming, deputy director of State Council Hong Kong and Macao Affairs Office Second Department, and Wang Jiyu, China Workers Exchange Center secretary general, were present at the meeting.

When asked by a reporter whether divergence has widened following the fifth round of talks between China and Britain, Chen Ziyang said that talks had been continuing normally. At present there are many problems, and it is necessary to look at each one of them. He reiterated that China hoped that the talks would produce good progress and finally positive results.

Paper on Importance of 'Second-Stove' Concept

HK2406084893 Hong Kong SOUTH CHINA
MORNING POST in English 24 Jun 93 p 11

[Text] Sometime next week, yet another batch of 30 Hong Kong dignitaries will be chosen by Beijing to play a direct role in the formation of the first post-1997 government.

Officially called the preparatory work organ for the Preparatory Committee of the Hong Kong Special Administrative Region [SAR], the significance of the so-called second stove lies both in symbolic terms and substance. It marks the determination of the Chinese Government to play the gambit officials called "grasping with both hands" to prepare for the 1997 takeover.

While "one hand" is crossing swords with Britain over democracy reforms on the negotiation table, the "second hand" will waste no time looking into the nitty-gritty of the formation of the first SAR government.

In spite of rhetoric from Beijing that the stove plan would not undermine the talks or the authority of the British administration, it is undeniable that the working body could make waves in the deliberations of the territory's transitional matters.

The line-up of the 57-member body, headed by a political heavyweight, Vice-Premier Qian Qichen, demonstrates the importance attached by the leadership to the preparations for the takeover.

For the 30 mainland members, leading officials from all major policy branches on Hong Kong affairs, key ministries, state-owned firms, top "legal and economics scholars" were enlisted. These included the State Council's Hong Kong and Macao Affairs Office headed by Mr Lu Ping, the Foreign Ministry under Mr Qian, and the New China News Agency in Hong Kong led by Mr Zhou Nan. Other major government organs included the People's Liberation Army, the external trade ministry, the State Planning Commission, the Public Security Ministry, the People's Bank, CITIC [China International Trust and Investment Corporation], and the Economic and Trade Commission.

They are directly involved with sensitive transitional matters such as the deployment of Chinese troops in the SAR, border and immigration control as well as the increasingly important cross-border economic ties and united front work. Their involvement will ensure the interests of various ministries on the Hong Kong issue, which could be conflicting, will be accommodated through the powerful transitional body.

This is evidenced by the fact that four of the seven vice-chairmen—Lu Ping, Zhou Nan, Jiang Enzhu and Zheng Yi—represent the major departments in charge of Hong Kong affairs. Mr Jiang is a deputy to Mr Qian in the Foreign Ministry, while Mr Zheng is a deputy secretary-general of the National People's Congress [NPC] Standing Committee. Mr Lu is likely to be the man in charge of the day-to-day operation of the committee given the fact that he will also be named as the secretary-general.

There is no doubt that the 57-member body will become the core of the SAR Preparatory Committee, which is scheduled to be set up officially in 1996 as laid down in the Basic Law. Apparently, the Chinese Government held the view during the later stages of the drafting of the Basic

Law that the SAR Preparatory Committee will play a largely symbolic role. (The Basic Law was promulgated in 1990.) This is because all major transitional issues, especially the "through train" arrangements for the smooth transition of the pre- and post-1997 legislatures, should be in order after the 1995 legislature is set up.

The bombshell dropped by Governor Chris Patten's political package has changed the plan and hardened the attitudes of Beijing. Hardliners and sceptics warned that it would be dangerous for it to rely on a "co-operative" Britain to ensure a smooth transition of the territory. For instance, they point to the British "plot" to extend its colonial legacy through democratic reforms and to deplete the territory's treasury by huge spending on infrastructure and social welfare.

As the British could no longer be trusted, the Chinese Government believed that it would only be wise to seize the day and begin preparations. Initiated by NCNA officials, the resolution for the early setting up of the working body was endorsed at the NPC full plenum in March. The timing of the official formation of the 57-member body at its Standing Committee session which ends on July 2 should cause no surprise.

It is undeniable that the idea of building a "second stove" has been fortified by the possibility of a breakdown of Sino-British co-operation on the formation of the transitional political structure. But it would be wrong to see the "second stove" strategy as merely a tit-for-tat move. As the composition and scope of its work show, the body is to delve into the "social, political, economic and legal aspects" of transitional issues to ensure the pre-1997 systems dovetail with the Basic Law.

These include, for instance, the issuing of SAR passports, the transitional [as published] of representative offices of Hong Kong in overseas countries after 1997, the election of Hong Kong deputies to the NPC.

At issue are substantial matters that will arise while the British administration is pulling out. More importantly, the early go-ahead of the takeover plan is set to complicate the Sino-British co-operation and the united front work of China in the territory. The Chinese Government, which still wants to strike a deal with Britain on the 1994-95 electoral arrangements, will face stronger pressure from hardliners for it to go it alone with the setting up of the "second stove".

Moreover, the exclusion of leading democrats and the conservatives led by the Liberal Party's Allen Lee Peng-fei in the Legislative Council from the working body has drawn a clear distinction between the "British" and "Chinese" camps in the local polity. Any failure to widen the representation and increase the transparency of the powerful transitional body will only deepen anxiety over a smooth transition.

The "one-sided" political affiliation of the Hong Kong contingent in the working body again sheds light on who Beijing is going to entrust to rule the SAR. Beijing is

faced with the task of putting promises of "wide consultation" in Hong Kong on transitional matters into action.

Reportage on UK-PRC Liaison Group Talks

Press Communique Released

OW2306130693 Beijing XINHUA Domestic Service in Chinese 1214 GMT 23 Jun 93

[Full text] of press communique issued by the 26th meeting of the Sino-British Joint Liaison Group on 23 June]

[Text] Hong Kong, 23 Jun (XINHUA)—The Sino-British Joint Liaison Group [JLG] held its 26th meeting in Hong Kong 21-23 June 1993.

The JLG continued to discuss the future of lands that are now in use for defense purposes in Hong Kong; franchises and contracts extending beyond 1997 and related matters; mutual judicial assistance in criminal matters between Hong Kong and certain countries; the surrender-of-fugitive-offenders agreements between Hong Kong and relevant countries; the localization of laws; the adaptation of laws; the implementation of the provisions of the joint declaration relating to the right of abode in Hong Kong after 1997; transitional arrangements for Hong Kong travel documents; reciprocal visa exemption agreements; civil servant pensions guarantees; and reciprocal recognition [dui deng cheng ren 1417 4583 2110 6126] and enforcement of civil and commercial judgments between Hong Kong and foreign countries.

The JLG discussed matters relating to Hong Kong's international rights and obligations and reached agreement on the continued application to Hong Kong after 1997 of one international treaty in the field of science and technology.

The two sides continued to exchange views, and made progress, on Hong Kong's air service agreements.

The JLG exchanged views, and made progress, on investment protection agreements between Hong Kong and relevant countries.

The next meeting of the Joint JLG will take place at a time and place to be agreed on by the two sides.

UK Says PRC 'Stalling'

HK2306123793 Hong Kong AFP in English 1211 GMT 23 June 93

[Report by Robert MacPherson]

[Text] Hong Kong, June 23 (AFP)—Britain accused China of stalling tactics Wednesday [23 June] after a long-delayed technical meeting on Hong Kong's return to Chinese sovereignty in 1997 failed to make progress on major issues.

The stinging broadside, at the end of the first meeting of the Sino-British Joint Liaison Group (JLG) in Hong Kong in six months, came as a sixth round of separate Sino-British talks on greater democracy for Hong Kong opened in Beijing. It also coincided with Hong Kong press reports that Chinese Foreign Minister Qian Qichen would head a potential "shadow government" for pre-1997 Hong Kong, first mooted in March and now under discussion in Beijing.

The JLG meeting, delayed since December due to China's anger over Governor Chris Patten's democratic reform proposals, was expected to tackle two major issues—the disposal of valuable military lands in the colony and the establishment of a much-needed ninth container shipping terminal. But Anthony Galsworthy, the diplomat who heads the British side to the JLG, said the Chinese side had balked at tackling substantive issues "for no convincing reason."

"I can only guess that the Chinese may think that by going slow on this work, they can somehow put pressure on the British side in the wider context," Galsworthy told reporters. "They haven't said that, but it's the only explanation I can think of for the rather dismal performance this week," he said.

His Chinese counterpart, Guo Fengmin, rejected the stalling charges and accused the British side of being too slow in providing "information" on certain issues, of which he cited only one—bilateral air service pacts. "I originally had hoped to see more progress," Guo told a separate press conference. "On some issues... I'd hoped the British side would come up with reasonable moves."

In Beijing, negotiators sounded more upbeat and cooperative as the sixth round of secretive talks on Patten's attempt to extend the voting franchise in Hong Kong ahead of 1997 got underway.

"Both our two sides are now working very hard," said the chief Chinese negotiator, Vice Foreign Minister Jiang Enzhu, who likened the slow-going talks—which began in April—to mountaineering. "So long as both sides have determination and perseverance and make joint efforts ... eventually we will successfully get to the top of the mountain," Jiang said.

The three-day round is not expected to bear fruit, however, as Patten and Prime Minister John Major have scheduled a so-called "Hong Kong summit" in London on July 1 to review the state of negotiations. "Obviously, positions will then be taken," said Britain's ambassador to Beijing, Sir Robin McLaren, who will also attend the London conclave.

In another development, Hong Kong newspapers said Wednesday that Qian, the Chinese foreign minister, would head a 57-member committee being set up by Beijing ostensibly to prepare for the 1997 transition of sovereignty. Such a group was long intended to be set up in 1996, but last March the Chinese Government

advanced the timetable, prompting fears it might develop into a shadow government that would challenge British rule in Hong Kong.

The group, being discussed this week by the Standing Committee of the National People's Congress, China's parliament, will reportedly comprise 27 Chinese officials and 30 Hong Kong politicians and businessmen. They would include billionaire tycoon Li Ka-shing, a major contributor to Britain's Conservative Party, and members of the Hong Kong Legislative Council who oppose Patten's blunt style in dealing with China.

Galsworthy on 'Dismal' Results

HK2406042093 Hong Kong THE STANDARD in English 24 Jun 93 pp 1, 3

[Report by Brett Free and Flora Wong]

[Text] Britain has lashed out at China's "dismal" performance during three days of talks in the long-awaited Joint Liaison Group (JLG) meeting.

British JLG team leader Tony Galsworthy said the Sino-British transition forum could take "more than 100 years" to finish all its business if China continued with its go-slow tactics. He said the Chinese team "was in no doubt at all" that Britain was angry at the lack of progress after a six-month gap between meetings.

There were no break-throughs or decisions on major issues such as Container Terminal Nine (CT-9) and defence lands or on technical matters like extradition treaties and air services agreements. No date was set for the next JLG meeting but China indicated two more would be held before the end of the year, with the next one possibly in September.

The stock market fell sharply after the JLG talks and is expected to drop below 7,000 when trading resumes tomorrow after the Tuen Ng Festival holiday.

A "disappointed and bamboozled" Galsworthy said China agreed to ratify only one international treaty beyond 1997—a Paris convention signed in 1960 on liability in the nuclear energy field. More than 100 treaties and conventions still have to be ratified by the group. "It's the only treaty we have agreed to since (the JLG meeting) in September last year," Galsworthy said. "Clearly if there are about 100 treaties and we agree to them at a rate of one a year then it will take about 100 years. It's clear to me the Chinese side approached the meeting with the intention of only allowing minimal progress.

"I sometimes think that the Chinese side think that holding a meeting is a significant gesture in itself but we don't say that. We judge a meeting by its results. I think it is right to add that there was a much larger volume of business which could have been agreed on but which was held up for no very convincing reasons.

"China said, on a large number of these items, that it needed to study the material further. We have just had a six-month gap between meetings and in my view that should have given them enough time to do any studies that were necessary."

Galsworthy questioned China's sincerity for a smooth transition up to 1997. He said the JLG work was of a technical nature that did not affect mainland interests. These technical issues—like ratifying international treaties and agreements—needed to be settled to ensure the "one country, two systems" concept worked for the Special Administrative Region government after 1997.

"If they are not in place it will cause a good deal of damage and loss, particularly to Hong Kong business, and affect the future prospects of Hong Kong," Galsworthy said. He said he could only guess that China's go-slow was a tactic to try to pressure Britain "in the wider context" of the row over political reform in Hong Kong.

"They have not said that but it's the only explanation I can think of for the rather dismal performance this week and if that is so, it's a miscalculation," Galsworthy said.

China's JLG leader Guo Fengmin blamed Britain for the lack of progress. "I expected some progress in this meeting and, in this sense, I am also disappointed," he said. Guo rebuked claims by Galsworthy that China was stalling and that the discussions would now drag on.

"Time is pressing but I do not agree that the discussions will drag on for 100 years," he said. The group had already endorsed about half of the international treaties and conventions in two years, Guo said. He denied the lack of progress was a stalling tactic to put pressure on Britain during ongoing talks in Beijing on political reform.

"In some areas, we had asked the British government to provide us with some information but they failed to make available such information," he said.

Guo said China would continue to take a positive attitude towards issues concerning the livelihood of Hong Kong people. This included projects such as CT-9. He said China had cooperated recently by agreeing to franchises for Hong Kong Electric, pay-TV and a landfill project.

Guo Fengmin Views Talks

OW2306163393 Beijing XINHUA Domestic Service in Chinese 1358 GMT 23 Jun 93

[By reporter Guo Lingchun (6753 3781 2504)]

[Text] Hong Kong, 23 Jun (XINHUA)—The 26th meeting of the Sino-British Joint Liaison Group concluded in Hong Kong today. After the meeting, Chinese chief delegate Guo Fengmin told the press that members

of the group must intensify their work, and that whether their work can proceed rests on the joint efforts of China and Britain.

Guo Fengmin said that the Chinese have made great efforts to hold the Sino-British Joint Liaison Group meetings. He maintained that Sino-British cooperation on the issue of Hong Kong should proceed on the basis of the Sino-British Joint Declaration, the Basic Law, and agreements and understandings that have already been reached. He said: As long we proceed on this basis, results will be achieved in cooperation within the Sino-British Joint Liaison Group or on other diplomatic occasions; otherwise, both sides will suffer.

Guo Fengmin said: China's approach toward the issues affecting the livelihood of Hong Kong people has always been positive. This can be proved by the fact that China recently consented to authorize three cable television franchises. The recent meeting also discussed the No. 9 container wharf. The two sides will continue to discuss the issue because it involves many areas.

Guo Fengmin indicated with some regret that, on certain issues, such as the air service accord, China several years ago had requested that the British furnish information but that the British had stalled on the issue until now. He said that he anticipated that the recent meeting would make greater headway on certain issues, such as land for military use, but the steps taken by the British should be more rational. He reiterated that both sides should work hard before results can be achieved in cooperation.

Further by Guo Fengmin

OW2306175993 Beijing XINHUA in English 1548 GMT 23 Jun 93

[Text] Hong Kong, June 23 (XINHUA)—Guo Fengmin, Chinese senior representative at the Sino-British Joint Liaison Group, said here today that both sides should make more efforts to bring more progress to the meeting of the group.

He said the Chinese side is taking a positive attitude towards the cooperation between the two sides.

He made the remarks at a press conference held after the liaison group issued a joint communique this afternoon at the end of its 26th meeting.

The meeting took place in Hong Kong from June 21 to 23.

Guo said the British side would have taken more reasonable steps on some issues, including the future of lands which are now in use for defense purposes in Hong Kong, but no more progress was made. [sentence as received]

"In this sense, I feel disappointed," he said.

At a separate press conference, Anthony Galsworthy, British senior representative at the liaison group, said the meeting was disappointing in terms of results.

Daily Carries News Conference

HK2406080693 Hong Kong WEN WEI PO in Chinese
24 Jun 93 p 11

[“Full text” of news conference given by Guo Fengmin, chief PRC representative to the Sino-British Joint Liaison Group, with unidentified reporters at the PRC Representative's Office in Hong Kong on 23 June: “Guo Fengmin Says the Chinese Side Has Made Great Efforts To Promote the Work of the Joint Liaison Group”]

[Text] At four o'clock yesterday afternoon, Guo Fengmin, chief Chinese representative to the Sino-British Joint Liaison Group [JLG], attended a news briefing held by the Chinese Representative's Office to explain the just-concluded 26th round of the JLG's meeting. He also answered reporters' questions. At the news conference, Ambassador Guo Fengmin responded to Anthony Galsworthy's accusations. He pointed out that the Chinese side had made great efforts to promote the JLG's work but that the British side had kept stalling and was unwilling to answer quite a number of questions or to provide information, which made big progress at the meeting impossible.

Guo Fengmin stressed: Sino-British cooperation on the Hong Kong issue must proceed in line with the Joint Declaration, the principle of convergence with the Basic Law, and the agreements and understandings previously reached between the Chinese and British Governments. If this foundation is ruined, cooperation within the framework of the JLG and in other fields will be obstructed. The full text of Guo Fengmin's answers to the reporters' questions is as follows:

[Reporter] At a news conference just now, Mr. Galsworthy said that the Chinese side had delayed the JLG's work and that it is possible that it will use this advantage to exert pressure on the British side and to affect the sixth round of Sino-British talks currently being held in Beijing. What is your response to this?

[Guo] Arrangements for the 1994 and 1995 elections are being discussed in Beijing by Chinese and British Government representatives. At this meeting, the JLG did not discuss this problem. I cannot agree to the assertion that the Chinese side has delayed the JLG's work. The Chinese side has made great efforts in promoting the JLG's work. At today's JLG meeting, I said that we had asked the British side to provide information on some problems for several years, but the British side has kept stalling and did not provide us with the information. Therefore, to make progress, both sides must make efforts together.

[Reporter] At the news conference, Mr. Galsworthy said that the construction of Container Terminal No. 9 [CT9] was very urgent and would affect Hong Kong's economic development. The Chinese side also expressed concern over Hong Kong's economic development. Because this is the case, why has the settlement of CT9 been delayed?

[Guo] At this meeting, we discussed CT9. Because this issue involves a wide range of problems, we will continue discussions. The Chinese side takes a positive attitude toward problems affecting Hong Kong people's lives. This is self-evident from our previous approval for franchises for three projects transcending 1997, including cable television.

[Reporter] The JLG held a meeting after a suspension of six months, and progress has been slow. Why is this so? Are you worried that work which should be accomplished before 1997 cannot be accomplished?

[Guo] Originally, I had hoped for more progress at the meeting, but as I said just now, more progress depends on the common efforts of both sides. There are only four years to 1997. Of course, we should step up our work in these four years. Time is pressing. But I do not agree with someone who said if discussions continued in this way it would take 100 years to handle these matters. Almost half of the relevant international treaties have been resolved, although we have spent just over two years on them.

[Reporter] Mr. Galsworthy of the British side described the progress of this meeting as disappointing. How would you describe the results of this meeting?

[Guo] As I said just now, I had hoped for more progress at the meeting. On some problems, for example on land for military use, I had hoped that the British side could take more reasonable measures. Originally, I had hoped for more progress, but no progress has been made so far. In this sense, I am also disappointed!

[Reporter] Mr. Galsworthy said just now that only when a meeting produces results is it a good thing. Do you think this reasonable? Do you think a fruitless meeting has any significance?

[Guo] Progress is expected at a meeting, of course. I always cherish big hopes every time I attend a JLG meeting. I have made many remarks, but they boil down to one point: To achieve results, both sides should make efforts together!

[Reporter] Can we interpret this as follows: Because the British side has not given up Chris Patten's constitutional reform package, no progress has been made at the Sino-British talks in Beijing and there will not be any breakthrough in the JLG's work before progress has been made at the Beijing talks. Why is it impossible to set the date of the next meeting?

[Guo] As I said just now, arrangements for the 1994-95 elections are being discussed in Beijing. This problem was not discussed at the JLG meeting. In my opinion, the most important point in Sino-British cooperation on the Hong Kong issue is a cooperative foundation for mutual trust on both sides. This means carrying out cooperation in line with the Sino-British Joint Declaration and the principle of convergence with the Basic Law on the basis of the agreements and understandings previously reached

between the Chinese and British Governments. On this basis, both sides will be able to carry out cooperation within the framework of the JLG and in other diplomatic fields. If this basis is ruined, both sides' cooperation within the framework of the JLG and in other fields will be obstructed. The Chinese side has taken a positive attitude on strengthening cooperation. According to the provisions of the Joint Declaration, the JLG should hold at least three meetings a year. In other words, we will hold two more meetings this year, and because both sides have many matters to attend to, a date for the next meeting has not been set for the time being. We hope we can set a date for the next meeting soon.

Paper Criticizes UK Stance

*HK2406072693 Hong Kong TA KUNG PAO in Chinese
24 Jun 93 p 2*

[Article by staff observer: "Will the Opposite Tune Be Sung for '100 Years?'"]

[Text] Unexpectedly, the 26th meeting of the Sino-British Joint Liaison Group [JLG], on which people had pinned great hopes, ended with virtually no progress. Also, unexpectedly, Mr. Galsworthy, the chief British representative to the JLG, even told the press that if the situation continued, "it will take 100 years to complete work that has to be handled in the transitional period."

JLG meetings were suspended for six months because the British side insisted on antagonism toward the Chinese side and continued to undermine the foundations of consultation and cooperation. After a great deal of work by the Chinese side, meetings eventually resumed. As a matter of fact, in order to achieve results at the meeting, the Chinese side took a series of actions in the preceding period, repeatedly expressed its sincerity, and tried to create a benign atmosphere for the meeting. For example, the Land Commission was prompted to approve normal allocations of land. A cable television license, the renewal of Hong Kong Electric's franchise, and a contract for a land reclamation project in the Western New Territories were approved. Recently, agreement was also reached on the franchise for the Western Cross Harbor Tunnel. People also noticed that Wang Qiren, deputy director of the State Council's Hong Kong and Macao Affairs Office, met recently with a senior executive of Britain's Jardine Group and expressed the hope that Jardine would assume a responsible attitude and play a positive role in restoring and increasing Sino-British cooperation. He also said that the Chinese Government welcomed British capital and capital from other countries to invest further in Hong Kong and on the Chinese Mainland. On seeing all of this, Hong Kong people were naturally optimistic about the resumption of JLG meetings. The mass media used such words as "hopeful" and "fruitful" to predict the results of the meeting.

Before the meeting resumed, British officials poured some cold water on it, saying: "At next week's meeting,

some controversial issues will be discussed, such as the issue of military land before and after 1997 and the construction of Container Terminal No. 9; therefore, the British side does not expect a breakthrough." What did they mean by telling people not to expect anything before the meeting had even begun? Members of the United Democrats in the Legislative Council, who reflect the opinion of the British side, also followed suit and attacked the Chinese side's action of expressing sincerity and promoting the talks, saying that this was a means of "dividing the corporations" and "enticing Britain." At that time, some people had foreseen the trouble ahead and held that the British side did not possess sincerity to reach an agreement on the major issues and that the meeting could hardly make substantial progress. Unfortunately, the result was not what people wished to see. The British side had no sincerity, but it made an unjustified counteraccusation and put the blame on the Chinese side. This is really outrageous!

Many issues were discussed at the JLG meeting, and it seems that Container Terminal 9 and military land were the two major subjects. In the past, differences have always existed between the two sides on these two issues. However, as long as they recognize the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and the agreements and understandings reached by the two sides as the foundations for consultation and cooperation between the two sides, it will not be too hard to solve these differences. Moreover, the Chinese side has long put forward some reasonable principles for the proper settlement of these issues. Because Container Terminal 9 is an issue related to a franchise straddling 1997, the British side must discuss the project with the Chinese Government, which represents the government of the future Hong Kong Special Administrative Region [SAR], and it must get the Chinese Government's endorsement according to the spirit of the Sino-British Joint Declaration. This is the responsible attitude required toward Hong Kong people, the future SAR Government, and investors. China's policy is explicit. The Chinese Government will positively support and solve everything favorable to Hong Kong's long-term stability and prosperity and favorable to Hong Kong's smooth transition. Even British companies such as Jardine are welcome to make further investment and to seek further development in Hong Kong. As for the issue of military land, the Chinese side has also explicitly put forward the following points: 1) existing military barracks used by the British armed forces in Hong Kong should first be used to guarantee the defensive needs of the Chinese armed forces stationed in Hong Kong in the future; 2) consideration should be given to the needs of Hong Kong's social and economic development as well; 3) this issue should be solved comprehensively rather than in a piecemeal way through friendly consultations between China and Britain. It is not hard to see that, when dealing with such issues, the Chinese side insists on two basic principles, namely, safeguarding state sovereignty and guaranteeing Hong Kong's prosperity, stability, and a smooth transition. Isn't this a reasonable

and fair position? If no agreement can be reached on these issues, people may just doubt the British side's intentions. What do they really intend to do? How can affairs, treaties, contracts, and agreements straddling 1997 not be confirmed and handled by the Chinese Government on behalf of the future SAR Government and be arranged according to the ideas of the British side? How can the decision on what military lands will be kept for the Chinese armed forces stationed in Hong Kong after 1997 not be made by the sovereign state of China and just be arranged by the British side? In fact, as long as the British side is not trying to trespass on China's power and disrupt Hong Kong's smooth transition, it should be able to accept the Chinese side's principles and demands.

From Galsworthy's bearing when attacking the Chinese side in front of the press, people may also recall Patten's air when he was interviewed by a Hong Kong newspaper. While pointing downward with his thumb, he attacked XINHUA by name. Obviously, they were singing in chorus, but we wonder how long they intend to sing. Will they sing such tunes for "100 years"?

Governor Patten Interviewed on Negotiations

HK2406062093 Hong Kong HSIN PAO in Chinese 23 Jun 93 p 3

[Interview with Hong Kong Governor Chris Patten by reporters Liu Chin-tu (0491 6651 0956) and Mu Jung-li (1970 1369 3810) on 21 June: "Chris Patten Talks About Definitions of Convergence, the Chief Executive, and the General Election; Says Only When 'There Is a Through Train Will There Be Sincerity'"]

[Excerpt] [Passage omitted] [HSIN PAO] Your bosom friend John Major currently is in trouble. Will you thus obtain the same degree of support in Britain?

[Chris Patten] The world economic recession has forced the prime ministers and premiers of 12 developed countries from their posts; however, the British prime minister is still in office and will remain in office for quite a long time. Even if he is no longer the prime minister, it will not affect the support transcending political parties inside Westminster for the policy that we are implementing. I do not believe that there has been any period over the past 10 years with the same powerful support for the Hong Kong issue transcending political parties as it is today. The British cabinet, the Conservatives, the Labor Party spokesman of the lower House, the Liberal Party leader of the lower House, and the entire media and all press who are entirely free of control have supported our Hong Kong policy. This being the case, I do not believe that we could suppose that whatever change will take place in the British political arena will result in our losing the support for the policy we are pursuing; that is basically impossible. Such support has been very firm, and in actual fact, many people believe that I should be even tougher.

[HSIN PAO] The expression "sincerity" has been very popular of late. In its Chinese connotation, sincerity may mean doing the other side a favor or presenting him with a gift. Are you ready to show such sincerity to the Chinese side?

He Who Is Sincere Will Fit His Deeds to His Words and Treat Others With Politeness

[Patten] Let me... (thinks for a while) let me make a few points on my view of sincerity. Please allow me to make some explanations of it; the meaning may differ from what you have just said in English. In its English connotation, sincerity means doing honestly what one has said, being frank and unreserved, fitting one's deeds to one's words. We said that we hoped for successful results of the talks; had we not truly hoped for successful results, we would not have proposed the talks. It was not Britain or the British Hong Kong Government that had all along refused the talks, nor was it Britain or the British Hong Kong Government that set preconditions for the talks. Thus, our sincerity (for the talks) can be clearly seen.

Besides, according to my personal explanation or by the criteria of whatever language in the world, to criticize one's opponent with nonstop vicious remarks is by no means a good way to show one's sincerity. I myself will never call others names such as whore, and I will never offend others this way.

I believe even Confucianism teaches people to be polite to those who hold different opinions, and perhaps it is precisely when people hold different opinions that greater politeness should be shown to each other.

As to the third point you referred to, namely, to show sincerity, one would send one's opponent a gift or make a concession. There is a very famous painting by the Spanish artist Velazquez titled "The Surrender of Bulheda [1580 0441 6671]," or "The Lances" in a popular title. In the said painting, the soldiers of two camps originally hostile to each other are pointing their lances to the sky, and these lances form a long line on the upper part of the painting. That is a historical scene; in modern terminology, the originally hostile soldiers are expressing the spirit of understanding and leniency with their body language in a most heartrending way.

It is precisely such a spirit that the talks call for. It is obviously true that talks inevitably involve an exchange of conditions and concession, and an acceptance of some not so ideal arrangements to reach an accord. It is appropriate to describe talks that adhere to principle in this way. Of course, in the course of talks, the two sides will give in a little to each other, but that should be a two-way process. Both sides should be willing to give in a little to the other side; we should not require one side to do so unilaterally. I hope that the spirit of understanding and leniency referred to just now will permeate the talks under way. With this spirit, I believe that the talks will definitely be successful.

[HSIN PAO] Do you believe that should the other side to the talks be willing to set out specific proposals and clearly express where it stands, that this will be helpful to the talks?

[Patten] That is a very good way to help push the talks. Allow me to express my view with some abstraction. Should one side always pick at its opponent in serious talks, saying that its opponent's proposal is not good enough, and should it want the other side to go home to prepare a better proposal, that would certainly not be enough. If one side believes that its opponent's proposal has basic mistakes, it must set out what is the basically correct practice.

[HSIN PAO] Do you expect that an accord will be reached through the talks when you deliver a speech at the Legislative Council in October?

It Is Hoped That the Arrangement for the Chief Executive of the Special Administrative Region Will Be Discussed

[Patten] As an experienced political leader, I will not allow my ambition, expectations, or wishes to decide my timetable for doing business. I hope that in the next issue of your paper an announcement will be made on the reaching of an accord, but I am afraid that that will be impossible. Otherwise you would boast an exclusive report, which you would never forget for your whole life.

[HSIN PAO] Shall we change subjects....

[Patten] There is another point I should like to make. I think that when China, Britain, Hong Kong and people of various circles are focusing their attention on these talks, they should not overlook the degree of difficulty of the issue. The results we plan for and seek have a bearing on the arduous task of transferring sovereignty in peace and stability. With the world undermined today, the transfer of sovereignty in peace and stability is a rare occasion; in addition, the concept of one country-two systems will be implemented simultaneously. This is extremely difficult work, especially when some people seem to hold a vague attitude toward the successful fulfillment of the work. However, I believe that we can make it. As long as we cherish the spirit of leniency and understanding I referred to just now, put our own experiences aside, and while attaching importance to Hong Kong residents' concern, we are sure to achieve success.

[HSIN PAO] I am thinking of raising some questions about the future of the transition in peace and stability. If the Chinese and British sides reach an accord on the organization of the electoral committee for the Legislative Council in 1995, should the electoral committee for the election of the chief executive be likewise produced?

[Patten] Our representative to the talks certainly hopes to discuss this issue; I think that many Hong Kong residents will see the strong points in doing so. Should the two sides reach an accord on the electoral committee, many people

will ask: Why should this committee not assume the responsibility of doing the two jobs simultaneously?

[HSIN PAO] By so-called "convergence," does it include certain effects of Britain and the British Hong Kong Government on the organization or operation of the SAR [Special Administrative Region] preparatory committee?

Convergence Refers to Concern Over Matters Before and After 1997

[Patten] The meaning of convergence is not confined to showing concern for matters before 1997; in my view, convergence refers to showing certain concern for matters after 1997 before it arrives. To ensure convergence, the British Hong Kong Government and the Chinese Government have agreed to hold discussions on the appointment of personnel. That is precisely one of the principles for the organization of the airport advisory committee. This being the case, the question you raised, just like the role of the aforementioned electoral committee, will be convincing to Hong Kong residents, I believe.

[HSIN PAO] Does "convergence" also mean that the British Hong Kong Government has the responsibility to cooperate with the SAR preparatory committee—for example, meeting the requirements of the Basic Law in the appointment of senior officials to avoid confusion?

[Patten] Of course, I hope that an accord as extensive as possible will be reached with the Chinese side on the arrangements of transition; however, it does not mean that we will rule Hong Kong in a comparatively inferior way before 1997. It will be pointless to make decisions that do not comply with Hong Kong interests for the sake of the so-called smooth convergence.

[HSIN PAO] You have said that the through train is a matter of principle, and very important at that; however, on some occasions, you said that the most important point was a set of objective criteria to decide who would be put on the through train. Does it mean that you have given up the 100-percent through train set out by Foreign Secretary Hurd and have decreased the British side's requirements?

[Patten] We should have a clearer understanding of the meaning of the through train. Some people said that there is the so-called 100 percent through train and a through train of less than 100 percent. But that is not my position; I do not believe I can rationally demand that all Legco [Legislative Council] members elected in 1995 to automatically extend their term to 1999 without going through any other procedures. Why should I say so? Because even before 1997, we cannot provide such an absolute assurance. Anybody who wants to become a candidate in an election must comply with certain criteria, and the candidates who win an election will also comply with certain conditions before they become Legco members. For example, they must swear the Legco member's pledge or loyalty pledge to the queen.

Article 104 of the Basic Law clearly demonstrates the conditions for a Legco member to take office after 1997, and it is the same with the chief executive. This being the case, my position is that the arrangement for the through train must be justifiable.

[HSIN PAO] Hong Kong residents have been continuously deprived of their democratic rights by the Chinese and British Governments over the past 10 years, and we are forced to accept the pace for democracy negotiated by the two governments. This point has been revealed in the seven letters between the foreign ministers of the two sides. Although it seems to be too late today, should the two governments make some common commitment on democratic developments in Hong Kong, for example, allowing Hong Kong residents to have comprehensive general elections in the year 2007, would this not be helpful to their confidence and stability?

Setting Up Another Stove Would Not Create Impact

[Patten] Many people have made this suggestion before. I remember Mr. Frank Chin said something like that in an article a few months ago. A number of other people have made similar suggestions. Well, China will be Hong Kong's sovereign state after 1997. I believe that as Hong Kong's sovereign state, China will certainly understand the importance of doing its best to encourage Hong Kong to maintain confidence and stability. I understand the standpoint of the people who made this suggestion—that is, it would help strengthen confidence and stability if Hong Kong people can see the goal of the democratization process and the speed of the process.

[HSIN PAO] What are the results after five rounds of talks?

[Patten] You would not expect me to break the agreement to keep the talks confidential even though I am not the WEN WEI PO editor, would you? I think that the talks have pushed the matter a little forward. But there is still a long way to go. And this is part of the reason why Foreign Secretary Douglas Hurd said it was necessary to push for bigger and faster progress. It is also the reason for my plan to return to Britain to review the matter with cabinet members.

[HSIN PAO] What is the stumbling block?

[Patten] Stumbling block? We are piling up the blocks one by one. We must understand that it is necessary to move a lot of blocks before there is a house.

[HSIN PAO] The preliminary work organ for the Special Administrative Region Preparatory Committee is being set up. Do you think this will help the talks?

[Patten] I do not think it will make any difference. But it is quite another matter if the setting up of the organ was motivated by a desire to help the talks. Different people have different views. For my part, "setting up another stove" would not create an impact. We remain the sovereign state until 1997. Thereafter, China will be the

sovereign state. If China thinks that setting up this kind of committee will help it exercise sovereignty more effectively in the future and corresponds to Hong Kong people's interests, so be it.

[HSIN PAO] Recently there has been much speculation, and indeed, the people of Britain need your service. Would you consider returning to Britain to assume an important secretariat post before your term is up?

Turn His Back on Hong Kong People, Faced With the Decision To Quit

[Patten] If I had intended to stay in British political circles, I would have done so and would not have accepted the post of Hong Kong governor. I came to Hong Kong to be its governor until 30 June 1997. If God permits, I will stay until 30 June 1997. When I mentioned God, it does not mean at all any lack of determination on my part to stay in Hong Kong. I said it because I was aware that nobody can depend entirely on luck.

[HSIN PAO] If on a scale of one to ten your package is rated a 10, but in the end you got less than six or five, would you consider resigning?

[Patten] I have never thought of resigning. I have said that I intend to stay here until 30 June 1997. If I feel the principle has been abandoned, or I have merely made another, or several more deals which are not in the interest of Hong Kong people, I will take appropriate actions. But such a thing will not happen—because I am the governor here, and I won't allow such a thing to happen.

[HSIN PAO] Do you intend to follow the agreement on the Court of Final Appeal in the Sino-British Joint Declaration?

[Patten] Yes.

[HSIN PAO] When do you think it will be set up?

[Patten] I would like to add something here. I understand the standpoints of those who are hoping for new agreement. But the reality is that China and Britain have come to an agreement. It is highly unlikely that we will enter into negotiations again. Therefore, over the next few months, we must decide whether we will set up the Court of Final Appeal based on the agreement, so that we may gain some experience before 1997, or shelve the whole matter, banking on the hope that in the extremely remote future China might change its mind. Exactly which way is better? I personally think that the second option is impractical. Therefore, I hope that we would move forward and implement the agreement, which was reached in good faith.

[HSIN PAO] Would you give us some of your view on the relations between the Legislative and Executive Councils? There has been wide concern over this subject recently.

Glad To Consider Setting Up a Council Committee

[Patten] Yes, I would. First, I do not believe in comparing now with the past. And I do not think that the past is better than now. In the past, when there were executive councillors in Legco, there were, you will remember, equally many difficulties and problems; for example, it was equally enormously difficult to get the Legco to pass the Final Court of Appeal and the 1992 financial budget bill.

Second, I have taken a range of measures to strengthen the status of the Legco and the accountability of executive organs. I resigned from the post of Legco chairman, supported Legco's actions to strengthen internal management, and accepted the obligation to explain in person and regularly report to the Legco. In my policy address I suggested setting up a Government and Legco Affairs Committee to provide a bridge between the executive and legislative organs. But the Legco did not think it was a good idea because they worried that the committee might turn into a "supra-Legco."

For me, the suggestion, or any of its variant, still stands. If Legco members have any bright ideas on how to

improve this suggestion, or to improve legislative-executive relations, I will be perfectly willing to hear them.

For example, a Legco member has proposed changing the format of the Hong Kong governor's question-and-answer session to one in which each session concentrates on items on which the Exco [Executive Committee] has passed decisions for the previous three to four weeks. I feel it is perfectly acceptable. I will be glad to consider any suggestion of reconsidering the Hong Kong governor's Legco Committee, or any other method.

But nobody says we can ignore the problem. We have done our best to help the Legco improve its operation. We have made at least one specific proposal which the Legco did not like.

[HSIN PAO] Do you think that executive councillors should increase transparency and accountability?

[Patten] They are getting increasingly more transparent. Executive councillors are very high quality. They represent the best cross-section of society. I think each one of them is extremely talented.

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